

Town of Morris

Justice Court Operations

JUNE 2021



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

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Report Highlights

Town of Morris

Audit Objective

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

Key Findings

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

- During the audit period, the Justice deposited cash receipts totaling \$25,398 and made disbursements totaling \$30,398.
- We reviewed a sample of 42 cash receipts totaling \$7,307 and all disbursements totaling \$30,398.

Key Recommendations

There were no recommendations as a result of this audit.

Town officials agreed with our findings.

Background

The Town, located in Otsego County, is governed by an elected Town Board (Board) composed of a Town Supervisor (Supervisor) and four Board members.

The Board is responsible for the oversight and general management of operations and finances, including Court financial activities.

The Town's elected Justice is responsible for all money received and disbursed by the Court and for safeguarding Court resources.

A part-time Court clerk (clerk) assists the Justice with processing cases and related financial transactions, including submitting monthly financial activity reports and the disposition of traffic tickets to the various New York State agencies.

Quick Facts

| | |
|---|----------|
| Fines, Fees and Bail Collected During Audit Period | \$25,398 |
|---|----------|

| | |
|--------------------------------|---------|
| Justice McCann's Tenure | 4 years |
|--------------------------------|---------|

| | |
|-------------------|-------|
| Population | 1,878 |
|-------------------|-------|

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 Justice adjudicates legal matters within the Court's jurisdiction and administers money collected from fines, surcharges, civil fees, restitution and bail.

The clerk receives and records collections from fines, fees and bail; issues receipts; records collections in a cash receipts journal; and provides a daily and monthly summary report of receipts to the Justice. The Justice reviews the daily receipts and deposits the money in the bank. Each month, the Justice reconciles the bank accounts to the accounting records, reconciles the Court's assets to liabilities, reports all money collected for the month (excluding pending bail) to the Office of the State Comptroller's Justice Court Fund (JCF), and writes a check for funds collected to the Supervisor or defendant, as appropriate. In addition, the clerk reports vehicle and traffic ticket dispositions to the New York State Department of Motor Vehicles (DMV).

How Should the Justice 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 and record each receipt in the accounting records. Justices must 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.

Each month, justices should reconcile adjusted bank balances to checkbook balances and complete an accountability 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, justices are required to submit monthly financial 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 are responsible for maintaining complete and accurate accounting records and safeguarding all money collected by the court.

The Justice Accurately Accounted for and Provided Proper Oversight of Court Operations

The Justice properly collected, deposited, disbursed, recorded and reported Court money we reviewed in a timely manner. Court records were current and accurate, and reports to the JCF were timely and complete. We reviewed the Justice's bank reconciliations and accountabilities and found that they were accurately prepared and the money the Court collected 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 Justice deposited the funds collected, wrote checks payable to the Supervisor or defendant, as appropriate, and prepared monthly reports submitted to the JCF.

During our audit period, the clerk recorded cash receipts totaling \$25,398 and disbursements totaling \$30,398. We reviewed all disbursements made during our audit period and found that all were for proper purposes.

We reviewed 32 receipts totaling \$5,497 collected during three months of our audit period to determine whether the Court fines and fees collected were deposited intact within the appropriate timeframe, recorded in a timely manner and reported to the JCF. We also reviewed a sample of 10 vehicle and traffic ticket dispositions reported to DMV totaling \$1,810 and compared the information reported to case files, receipts records and bank deposits to determine whether the correct fine amounts were collected, recorded, reported and deposited in a timely manner. Aside from minor deficiencies discussed with Town officials, we found that receipts tested were generally deposited timely and intact, recorded in a timely manner and reported to the JCF.

Every month, the Justice prepared bank reconciliations and accountabilities for the fine and bail bank accounts. In addition, the Board reviewed Court activity and bank statements each month. The Board also conducted an annual audit of the Justice's records; there were no issues identified for 2019.

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.

The Justice properly collected, deposited, disbursed, recorded and reported Court money we reviewed in a timely manner.

Appendix A: Response From Town Officials

TOWN OF MORRIS

P.O. Box 117
Morris, New York 13808
(607)263-5944

May 17, 2021

Ann C. Singer, Chief Examiner
State Comptrollers Office
N.Y. State Office Building
44 Hawley Street, Room 1702
Binghamton, NY 13901

Dear Chief Examiner

In response to the OSC Audit Report for the Town of Morris Justice Court. I am the Morris Town Justice, and have reviewed the preliminary draft findings of the Audit and find it to be accurate and complete and I agree with the auditors findings.

Sincerely,

Hon. Peter J. McCann
Morris Town Justice
(607) 263-2224
email - pmccann@nycourts.gov

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 the Town's policies, procedures, Board minutes and annual audits to gain an understanding of Court operations.
- We compared fines and fees reported to the DMV and the JCF to determine whether there were any variances between the two reports. We also compared the JCF reports with reports within the Court's financial accounting software to determine whether any variances existed between the two reports. We used our professional judgment to select a sample of 10 fines and fees reported to the DMV but omitted from the JCF report to determine the cause and significance.
- We used our professional judgment to select a sample of three months (January, April and July 2019) to determine whether all 32 receipts totaling \$5,497 recorded as collected during these months were deposited intact within 72 hours of collection and recorded in a timely manner.
- We used our professional judgment to select a sample of 10 vehicle and traffic ticket dispositions reported to DMV totaling \$1,810 and traced these tickets to case files, receipts records, Court program reports and bank deposits to determine whether they were accurately and timely collected, recorded, reported and deposited.
- We traced all disbursements during the audit period from the Justice's fine and bail accounts, totaling \$30,398, to case files, bail listings and monthly JCF reports to determine whether they were for appropriate purposes, supported, reported correctly and disbursed in a timely manner.
- We compared all 58 pending tickets recorded during the audit period according to DMV reports to case files and Court program reports to determine whether the Clerk correctly recorded, reported and pursued collection of pending tickets.
- We used our professional judgment to select two months of bank reconciliations and accountabilities to determine whether they were prepared accurately and timely.
- We used our professional judgment to select a sample of 13 dismissed cases as reported to the JCF and reviewed associated Court management system records to determine whether they were dismissed for appropriate purposes.
- We reviewed all deletions from the Court management system and associated case files to determine whether the deletions were for valid reasons.

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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