



**CITY OF FRANKLIN MUNICIPAL COURT
WARREN COUNTY
SPECIAL AUDIT**

**FOR THE PERIOD
MARCH 1, 2000 THROUGH JANUARY 31, 2001**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF FRANKLIN MUNICIPAL COURT
WARREN COUNTY**

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CITY OF FRANKLIN MUNICIPAL COURT

COURT OFFICIALS AND PERSONNEL

As of January 31, 2001

<u>ELECTED OFFICIAL</u>	<u>TERM ENDING</u>	<u>BOND</u>
Judge James D. Ruppert	12/31/05	N/A
<u>APPOINTED PERSONNEL</u>		
Sherry Mullins, Clerk		\$10,000 ⁽¹⁾
<u>OTHER PERSONNEL</u>		
Darlene Moore, Deputy Clerk		\$50,000 ⁽²⁾
Joyce Biser, Deputy Clerk		\$50,000 ⁽²⁾
Jennifer Frisch, Deputy Clerk		\$50,000 ⁽²⁾
Dorothy Lykins, Deputy Clerk		\$50,000 ⁽²⁾
LuAnn Lewis, Deputy Clerk		\$50,000 ⁽²⁾
Diane Hayslett, Chief Deputy Clerk		\$50,000 ⁽²⁾

⁽¹⁾ Ohio Casualty Insurance Company

⁽²⁾ Hartford Insurance Group

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REPORT OF INDEPENDENT ACCOUNTANTS

The Honorable James Ruppert
Administrative and Presiding Judge

Sherry Mullins, Clerk of the Municipal Court
35 E. Fourth Street
Franklin, OH 45005

Pursuant to your request dated February 9, 2001, we have conducted a "Special Audit" and performed the procedures summarized below and detailed in our "Supplement to the Special Audit Report," which were agreed to by you for the period March 1, 2000 through January 31, 2001 ("the Period"). These procedures were performed solely to:

- 0 Obtain an understanding of the policies and procedures followed by the City of Franklin Municipal Court (the Court), the City of Franklin Police Department and the Warren County Sheriff's Office when collecting payments, recording the payment into the computer system, and depositing daily collections.
- 0 Verify whether tickets issued by the Ohio State Highway Patrol, City of Franklin Police Department, Village of Carlisle Police Department, and the Warren County Sheriff's Office were recorded in the Court's computer system.
- 0 Determine whether daily collections of the Court were deposited into the bank intact.
- 0 Identify the amount received for bonds and fines by the Warren County Sheriff's Office and the City of Franklin Police Department and determine whether the monies received were posted to the related case files in the Court's computer system and were deposited in the bank intact.
- 0 Verify whether the sentences imposed by the Judge agreed to the judgement recorded in the Court's computer system.
- 0 Identify whether voided receipts recorded in the Court computer system were based on a valid Court action.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the users of the report. Consequently, we make no representation regarding the sufficiency of the procedures discussed below for the purpose for which this report has been requested or for any other purpose. The procedures we performed and a summary of our significant results are as follows:

1. We reviewed the operational policies, procedures and practices of the Franklin Municipal Court, the City of Franklin Police Department, and the Warren County Sheriff's Office for the Period to identify the procedures in place for processing receipts of the traffic and criminal divisions, and cash bonds received by the Court.

Significant Results - We issued 4 internal control recommendations regarding the Court computer system, delinquent cases, bonding of the Municipal Court Clerk, and segregation of duties among the deputy clerks.

2. We obtained tickets issued by the Ohio State Highway Patrol, the City of Franklin Police Department, Village of Carlisle Police Department, and Warren County Sheriff's Office and compared the tickets issued to the tickets recorded in the Court's computer system to determine whether all tickets issued by these agencies were recorded in the Court's computer system.

Significant Results - We noted that 67 tickets issued and filed by the Ohio State Highway Patrol, and 5 tickets issued and filed by the City of Franklin Police Department could not be located in the Court computer system. For 8 of the 67 tickets, we were able to calculate, based on the available hard copy tickets, the fines due to the Court totaled \$825. For the remaining 59 tickets, we were unable to identify the exact offense to calculate the fines because the hard copy tickets were not available. The value of fines associated with the 5 City of Franklin Police Department tickets was \$810. We recommended that the Court contact those defendants to determine whether they have record of payment.

Additionally, we issued 4 internal control recommendations regarding relating to the filing of tickets, data entry, and maintenance of Court records.

3. We compared supporting documentation for daily deposits maintained by the bank for the Period to the tender received by the Court as identified on the computerized Daily Receipt Recaps to determine whether the daily collections were deposited in the bank intact.

Significant Results - We identified 12 instances, totaling \$6,901, where monies were recorded as collected by Ms. Dianne Hayslett, but were not deposited in the bank intact.

Prior to the start of the audit, Ms. Hayslett repaid the Court \$887. Accordingly, we issued a finding for recovery for \$6,014 against Ms. Hayslett and her bonding company, jointly and severally, for public monies collected but unaccounted for in favor of the City of Franklin's Municipal Court.

We issued 2 noncompliance citations and 7 internal control recommendations regarding the collection and depositing of fines received and the maintenance of Court records.

4. We reviewed the cash bonds received by the City of Franklin Police Department and the Warren County Sheriff's Office to identify the amount received, and reviewed the amount recorded in the Court's computer system to verify whether these bonds were recorded in the related computerized case file for the cash bond collected and whether the cash bonds received by the Police Department or Warren County Sheriff's Department were deposited in the bank intact.

Significant Results - We noted 9 instances, totaling \$5,750, where the monies collected per the law enforcement agency receipts and the Court's bond book were more than the monies deposited. We also identified 18 instances, totaling \$3,614, in which the cash bonds received by the Court were not deposited in the Court's bank account intact.

Prior to the start of the audit, Ms. Hayslett repaid the Court \$4,900. After the start of the audit in February 2002, Ms. Hayslett repaid the Court an additional \$1,000 which is considered a finding repaid under audit. Accordingly, we issued a finding for recovery for \$3,464 against Ms. Hayslett and her bonding company, jointly and severally, for public monies collected but unaccounted for in favor of the City of Franklin Municipal Court.

We issued 3 internal control recommendations regarding documenting who received and processed the cash bonds collected by the law enforcement agencies and to perform monthly reconciliations between the Court's bond book and the related bank account.

5. We selected 30 case files and identified the sentences imposed by the Judge and compared the sentence documented in the case file to the sentence recorded in the Court's computer system for agreement.

Significant Results - For the 30 cases we reviewed, the Judge assigned court costs, as documented in the hard copy case files, agreed to those recorded on the Court's computer system.

6. We reviewed all voided receipts in the Court's computer system to determine whether the void was based on a valid Court action as described by the Municipal Court Clerk.

Significant Results - We reviewed 191 voided receipts identified in the Court's computer system. We identified 44 instances where the receipt had been voided but there was no reason written on the receipt. However, a subsequent receipt was issued to replace the voided receipt. Two voided receipts, with fines totaling \$60, did not have a subsequent receipt issued. We issued 2 internal control recommendations regarding the voiding of receipts in the Court computer system.

7. On September 11, 2002, we held an exit conference with the following City officials and administrative personnel: The Honorable James Ruppert, Administrative and Presiding Judge; Sherry Mullins, Clerk of the Municipal Court; Sandra Morgan, City Finance Director; Jim Lukas, City Manager; Steve Runge, City Law Director.

The attendees were given an opportunity to respond to this Special Audit. We received no written responses.

Our detailed procedures and the results of applying these procedures are contained in the attached "Supplement to the Special Audit Report." Because these procedures do not constitute an examination conducted in accordance with generally accepted auditing standards, we do not express an opinion on the court's internal control system over financial reporting or any part thereof. Had we performed additional procedures, or had we conducted an examination of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report relates only to transactions relating to the above procedures, and does not extend to any financial statements of the City taken as a whole.

This report is intended for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

September 11, 2002

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

BACKGROUND

In October 2000, a defendant came into the City of Franklin Municipal Court (the Court) for a hearing. Prior to the hearing date, the defendant paid a cash bond to the City of Franklin Police Department (Police Department) and received a receipt. After the hearing, the bond was to be applied to the court fine; however, the bond money was not documented as received and a deposit slip could not be located. Sherry Mullins, Clerk, asked Diane Hayslett, Chief Deputy Clerk, about the bond. Ms. Hayslett stated she forgot to write the bond in the book. She located the bond a few days later. The Clerk notified Judge James Ruppert about this case.

Before this specific incident, the Clerk had received a few calls from individuals who claimed that they had paid their fines; however, the Court had no record of payments. These individuals brought copies of the canceled checks or receipts to the Court, so their case files could be corrected. The Clerk assumed these payments had been posted to incorrect cases. However, when the Clerk received additional calls regarding unrecorded payments of fines, she began to suspect monies were being misappropriated.

The Clerk also noted that there were some missing cases. She obtained a deletion list and noticed cases were deleted from Ms. Hayslett's station. The Clerk met with the Judge and Steve Runge, City Prosecutor, and showed the deletion list and the deposit slips to them. The Clerk kept a lap top computer at home with the Court's software. She updates it periodically with the Court's computer system. Since she had not updated her computer recently, a few of the cases that had been deleted were still on her lap top computer. A review of these cases revealed that each case had outstanding fees due. The City Prosecutor then asked the Clerk to periodically review the deletions throughout the day. The Clerk noted an instance where a new case had been deleted while she was at lunch.

Two other issues were also noted. The first issue involved the processing of bond money and receipts. The Clerk and Ms. Hayslett were the only individuals with the combination to the safe. The other deputy clerks would collect bond monies from the Police Department and give them to Ms. Hayslett to put in the safe until a deputy could process them. Ms. Hayslett would put the bond monies in her drawer instead of the safe. The Clerk indicated that Ms. Hayslett received the bonds from the Warren County Sheriff's Department once delivered by the deputy sheriff to process and also process the payments received in the mail. These are tasks that could be done by any one of the deputy clerks; however, Ms. Hayslett insisted on processing these payments.

The second issue involved a cash drawer. Since Ms. Hayslett had the combination to the safe, another deputy clerk gave Ms. Hayslett her \$50 cash drawer to put in the safe when she went on vacation. When she came back, her drawer could not be found. Another deputy clerk stated she saw Ms. Hayslett get \$50 out of her purse and give it to the deputy clerk.

Diane Hayslett made payments to the Court prior to the start of the audit. She wrote a personal check to the Court for \$2,900 in November 2000, a personal check for \$1,000 on January 16, 2001 and another personal check to the Court for \$1,000 on January 23, 2001. She also cashed in vacation time in the amount of \$887 and signed the check over to the Court in January 2001.

As a result of the irregularities noted by Ms. Mullins, Ms. Hayslett was placed on administrative leave on January 25, 2001.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

On February 9, 2001, the Auditor of State received a request from the Honorable James Ruppert, Presiding Judge, requesting a special audit as a result of “some irregularities in the receipt and accounting of funds received by the Court for payment of fines and filing of cash bonds.”

On February 27, 2001, the Auditor of State’s Special Audit Committee declared a Special Audit of the Franklin Municipal Court.

Following the commencement of our Special Audit, Diane Hayslett made a payment in February 2002 for \$1,000.

On April 18, 2001, Diane Hayslett resigned from the Court.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 1 - Review of Internal Control Process

We reviewed the operational policies, procedures and practices of the City of Franklin Municipal Court, the City of Franklin Police Department, and the Warren County Sheriff's Office for the Period to identify the procedures in place for processing receipts of the traffic and criminal divisions, and cash bonds received by the Court.

Procedures

1. We performed interviews of appropriate individuals and documented the results in the form of narratives for transactions processed by the traffic division, criminal division and bonds collected by the Court, the City of Franklin Police Department and the Warren County Sheriff's Office.
2. We performed a walkthrough of the operational procedures to verify the procedures identified in Procedure No. 1 were followed by the deputy clerks.

Results

1. We interviewed Sherry Mullins, Municipal Court Clerk; a City of Franklin Police Department Dispatcher; and the Corrections Services Coordinator for Warren County Sheriff's Office regarding the procedures followed for collecting and processing the payments for traffic fines received by the Court and monies collected by the City of Franklin Police Department and the Warren County Sheriff's Office on behalf of the Court. These individuals provided the following information:

Monies Collected at the Court's Traffic Window

The Court operates two collection windows which collect fines for traffic tickets and bonds posted by defendants, when required. Six different deputy clerks collected fines and each maintained their own cash drawer. When the defendant presented payment for the traffic ticket, the deputy clerk searched the Court computer system for the case information. Once located, the fines due per the Court computer system were compared to the amount per the defendant's ticket for agreement. In cases where the defendant did not have a copy of the ticket, the amount per the Court computer system was compared to the payment tendered.

If the case had been entered into the Court computer system, the deputy clerk removed the case from the arraignment drawer, posted the payment to the Court computer system, and generated a receipt. Prior to generating a printed receipt, the Court computer system required the deputy clerk to enter the date, her initials, and type of tender received from the defendant. The white copy of the receipt was provided to the defendant and the carbon copy yellow receipt was maintained by the Court.

The deputy clerk then documented the receipt number, date, and amount paid on the case file and beginning in October 2000, also indicated the case number and initials on the check or money order. The money was placed in a locked cash drawer maintained by the deputy clerk at her desk. The case file was set in a basket to be filed.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

If the ticket had not been entered into the Court computer system, the deputy clerk collected the money, generated and provided a copy of a temporary receipt to the defendant. A copy of the temporary receipt and the money were placed in the safe by either the Clerk, Sherry Mullins, or the Chief Deputy, Diane Hayslett. The money remained in the safe until the ticket arrived for processing. Once the ticket arrived, the payment was processed as indicated above.

Monies Collected through the Mail

Each day, the mail was opened by a deputy clerk. The deputy clerk searched the Court computer system for the case and compared the amount owed per the Court computer system to the amount owed per the copy of the ticket from the defendant. The case file was removed from the arraignment drawer by the deputy clerk who posted the payment to the computerized case file. A receipt was generated after entering the receipt date, the deputy clerk's initials and the method of payment. The white copy of the receipt was placed in the case file. The receipt number, date, and amount paid was documented on the hard copy case file. Beginning in October 2000, the deputy clerk documented the case number and her initials on the check or money order. The money was then placed in the deputy clerk's locked cash drawer.

Monies Collected by the City of Franklin Police Department

Each day the Police Dispatchers collected payment from defendants for traffic fines or when posting a bond. A receipt was issued by the dispatcher to the defendant indicating name of the payee, case number¹, and sometimes the traffic ticket number. The receipt was signed by the dispatcher. At the end of the day, a Court Document Entry and Removal Sheet² was generated and compared to the monies collected for the day. During the day, a deputy clerk from the Court collected the money and the listing from the Police Department. Prior to leaving the Police Department, the deputy clerk reviewed the Court Document Entry and Removal Sheet and agreed the information including ticket information and money received to the money collected.

After the receipts on the Court Document Entry and Removal Sheet agreed to the money collected, the deputy clerk signed and dated the sheet. A copy of the receipts issued by the dispatcher was made. Upon return to the Court, the bond information or traffic ticket information was recorded in the computerized docket. For bonds, the deputy clerk recorded her initials, the date, the type of bond, the amount of the bond, and the name of the person who posted the bond. In the case of a traffic ticket payment, the defendant and the related offenses were entered into the Court computer system. A docket and receipt was printed. The deputy clerk recounted the money received, created a deposit slip for the money, and documented the case number and defendant's name on the deposit slip. For cash bonds, the date, case number, defendant's name, and the bond amount were documented in the bond book. The deputy clerk then documented on the hard copy of the docket the date the cash bond was posted by the defendant. For traffic tickets, a case file was created by the deputy clerk and filed in the arraignment drawer.

¹ The Police Department's computer system is connected to the Court's computer system which allows the dispatcher to identify the related case number.

²The Court Docket Entry and Removal Sheet listed the date received, the officer, the type of offense, ticket number, and the type of tender received.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

The docket, the Police Dispatcher's receipt, the envelope, computer-generated receipt and the deposit slip for the case were filed in the hard copy case file. At the end of the day, the deputy clerk prepared a calculator tape of the cash bonds collected, initialed the tape, and documented the case number, date, and defendant's name on the tape. This was attached to the tape comparing the amount received to the Court computer system as described in the End of Day Procedures.

Monies collected by the Warren County Sheriff's Office

We interviewed the Corrections Services Coordinator at the Warren County Sheriff's Office regarding the process followed for collecting cash bonds. Upon receipt of the cash bond, the white copy of a three part receipt was given to the person providing the payment, one copy was provided to the Court and the final copy was maintained by the Sheriff's Office. The cash bond received was then recorded in a log detailing the date, the amount received, who the bond was for, and the Court to receive the money. Each payment was put into an envelope along with the duplicate receipt. The envelope had the defendant's name, address, arrest #, charge, arresting officer, bond received, date/time received, amount of bond, amount of fine, court cost, total received, what court, court date and court time. The officer collecting the money documented his/her initials beside the entry in the log and placed the money in a locked cash drawer.

Each day, a deputy sheriff counted the money in the locked cash drawer and agreed it to the receipts to ensure the monies collected were intact. Once completed, the deputy sheriff initialed the log indicating the amount collected agreed to the monies received. The deputy sheriff initialed the log showing that the amount collected is correct. A day shift deputy sheriff delivered the monies collected to the Court for processing.

Upon receipt of the monies from the deputy sheriff, the deputy clerk compared the monies collected in each envelope to the receipts issued, signed and dated the envelope, made a copy for the Warren County Sheriff's Office, and recounted the monies received.

The deputy clerk prepared a handwritten receipt from the pre-numbered receipt book and stapled it to the duplicate receipt from the Warren County Sheriff's Department. A receipt was then provided to the deputy sheriff.

The deputy clerk then located the related case in the Court computer system and recorded the bond information in the docket screen. The Court computer system required her to enter her initials, the date, the type of bond, the amount of the bond, and the name of the person who posted the bond. A docket and receipt was printed. The deputy clerk then recounted the money collected, prepared a deposit slip for the bond, and documented the case number and the defendant's name on the deposit slip. The date, case number, defendant's name, and the amount was recorded into the bond book. The deputy clerk then documented on the hard copy of the docket that a cash bond was posted and the date it was posted. The docket, Warren County receipt, envelope, computer generated receipt, and a copy of the deposit slip were filed in the hard copy case file.

At the end of the day, the deputy clerk prepared a calculator tape of the cash bonds collected, initialed the tape, and documented the case number, date, and defendant's name on the tape. This was attached to the processing of fines received at the Court as described in the End of Day Procedures.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

End of the Day Procedures

At the end of each day, each deputy clerk totaled all of the receipts issued by her for the day, counted the money collected in her locked cash drawer, and compared the two amounts. Prior to October 2000, the Clerk or the Chief Deputy Clerk prepared one deposit slip for all of the deputy clerks' receipts and the balancing tapes were destroyed once the Court had balanced for the month.

The Clerk or Chief Deputy Clerk was responsible for taking the deposits to the bank. Beginning in October 2000, each deputy clerk compared their own tape of the total receipts per the Court computer system to the monies per the cash drawer, prepared a deposit slip, and provided the tape, the deposit slip and monies to the Clerk or Chief Deputy Clerk who deposited the money in the bank.

2. We confirmed the above-mentioned procedures were in place through observation of the deputy clerks processing and receiving monies received through the mail, from the window, by the Warren County Sheriff's Department, and the City of Franklin's Police Department. However, we noted the following weaknesses during a review of these procedures:
 - The Clerk was bonded for \$10,000. However, a review of the yearly and monthly receipts indicated the Clerk was responsible for the collection of receipts which averaged \$88,476 per month during the Period. City Council should review the collections and consider increasing her bond to reflect the monies the Court collects.
 - Currently, the same deputy clerk has the ability to collect monies, receipt monies in the Court computer system, and prepare the deposit slips. Duties should be segregated to ensure checks and balances are in place to reduce the potential for fraud or theft.
 - The computer system currently allows all of the deputy clerks to modify case information and does not record which deputy clerk made the change.
 - The Court computer system identifies delinquent cases in which the Court does not know why the cases were delinquent. In addition, the Court does not know the amount of fines due to them from defendants at any given time other than the current year.

Management Comments

Employee Bonds

The Clerk is bonded for \$10,000 which is the amount that was approved by the City Council. We reviewed yearly receipts which indicated Clerk was responsible for the collection of significantly more than \$10,000 for the Period. A bond in the amount of \$10,000 does not adequately insure the Court against loss of assets due to misappropriation. To reduce the risk of loss of assets to the Court, the Clerk should be bonded in an amount that is commensurate with her responsibility.

Segregation of Duties

Each bond receipt collected at the Court window, through the mail, from the City of Franklin Police Department, or the Warren County Sheriff's Office was currently processed by the same deputy clerk. The deputy clerk was responsible for collecting and counting the money, issuing the receipt, posting the receipt to the computer, and preparing the deposit ticket. Lack of segregation of duties allows for the possibility of unauthorized diversion or loss of cash assets which might not be detected in a timely manner. To promote accountability and to strengthen accounting controls, procedures should be established that provide an adequate segregation of duties.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

These procedures could include a detailed assignment of specific duties pertaining to one area (i.e. depositing, receipts, etc.), periodic spot checks by someone independent of the specific function, and periodic spot checks by officials to determine that proper procedures are followed by employees. Also, management should periodically review duplicate receipt books, case files, etc., to determine that proper procedures are followed by the deputy clerks. These periodic reviews should be noted and documents reviewed should be initialed by the reviewer.

Access to Computer Files

Cases were inputted into the computer during Court and checked for correctness at that time. Each deputy clerk at the Court had access to change any information in the computer without being recognized. Any deputy clerk can change the amount owed, the status of the case, the date and any other field available on the screen. Whenever a change was made, the deputy clerk was supposed to explain the reason for the change in the special orders screen. During testing, we noted that items were changed; however, a reason was not indicated or if a reason was indicated, the deputy clerk's initials were not given. Without this information, the Court is not able to identify why the case was changed and who changed it.

We recommend that once a case has been entered into the computer and is determined to be correct, then changes not be made without management approval or without updates to the Court's software. Any time an item is changed or updated, the software should automatically save the deputy clerk's initials with the changes to the case. If improper changes are made, then the Clerk will be able to identify which deputy clerk is responsible for the change.

Delinquent Cases

Several delinquent cases were listed in the Court's computer system; however, the Court did not know why the cases were delinquent. For example, we identified a case where an individual had outstanding fines; however, there was not a warrant for his arrest. When reviewing his case on the computer, it stated that a warrant had been issued and later recalled with no other explanations. An attempt to collect his outstanding fine was not made because the Court does not review all outstanding files. The only way a deputy clerk would discover that this case was unpaid would be for the person to receive another violation. When the deputy clerk would enter the new violation, the computer would notify the deputy clerk that this person had an outstanding fine. Not reviewing outstanding fines on a timely basis puts the Court at loss for these fines.

We recommend that the Court periodically review outstanding cases in their computer system and attempt to collect the fines that are owed to them.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 2 - Review of Tickets Issued

We obtained tickets issued by the Ohio State Highway Patrol (the Patrol), the City of Franklin Police Department, Village of Carlisle Police Department, and Warren County Sheriff's Office, and compared the tickets issued to the tickets recorded in the Court's computer system to determine whether all tickets issued by these agencies were recorded in the Court's computer system.

Procedures

1. We obtained officer re-cap sheets from the Patrol to identify the tickets issued by the Patrol during the audit period and compared the tickets listed on the re-cap sheets to the tickets recorded in the Court's computer system to identify tickets issued which were not recorded in the Court's computer system.
2. We obtained from the Franklin Police Department a computerized listing of recorded tickets issued during the Period, and compared the computerized listing to a computerized report of the tickets recorded in the Court's computer system to identify tickets issued which were not recorded in the Court's computer system.
3. We obtained from the Village of Carlisle's Police Department a listing of tickets issued during the Period and compared the ticket listing to tickets recorded in the Court's computer system to identify tickets issued which were not recorded in the Court's computer system.
4. We obtained from the Warren County Sheriff's Office a computerized listing of tickets issued during the period and compared the listing to a computerized listing of tickets recorded in the Court's system to identify tickets issued which were not recorded in the Court's computer system.

Results

1. We obtained the officers' re-cap sheets from the Patrol and identified 2,185 tickets were issued for the Court. We then compared the listing from the Patrol to the Court computer system and noted the following exceptions:
 - 33 tickets were entered into the Court's computer system incorrectly because of keying errors such as transposition of the ticket number. Once we determined the correct number sequence for the ticket, we agreed these tickets identified by the Patrol with those included in the Court computer system.
 - 14 of the tickets were criminal cases and the Court did not record the ticket number in the computer system for criminal cases. We searched the Court computer system by name and social security number and identified that these tickets were for criminal cases. The name, date and offense in the Court's computer agreed to the tickets issued by the Patrol.
 - 67 tickets could not be located in the Court's computer system and the hard copy for 59 tickets could not be located by the Patrol. We were able to obtain the hard copy ticket for the remaining 8 tickets from the Patrol. Using the Court fine schedule, we determined the Court was due \$825 in fines; however, we were unable to determine whether the defendant had remitted payment. We will recommend the Court contact these defendants to see if they have documentation supporting payment of fines due.

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2. We obtained the City of Franklin Police Department's records containing 1,555 tickets and compared those tickets to the Court's computer system. This was completed by our Information Systems Audit Department (ISA) by using both the Department's and the Court's computerized logs. We attempted to match the name, date, offense and social security number on the ticket and noted the following exceptions:
 - 3 tickets did not agree to the Court's computer system. This was the result of the Judge amending the offense.
 - One of the tickets was for a criminal case and the Court did not record the ticket number in the Court's computer system for criminal cases. We searched by name and social security number and identified the ticket related to a criminal case. The name, date and offense in the Court's computer system agreed to the ticket issued by the Franklin Police Department.
 - 4 tickets could not be located in the Court's computer system and a hard copy could not be located by the Police Department. The Police Department's computer system can only be searched by name. Since we did not have the defendant's name, we could not search the Police Department's computer system.
 - 71 tickets were issued to juvenile defendants. Juvenile defendant cases were heard by the Warren County Juvenile Court. We confirmed these cases were filed with the Warren County Juvenile Court.
 - 37 tickets were entered into the Court's computer system incorrectly as a result of keying errors including the transposition of ticket numbers. Once we determined the correct ticket number sequence, we were able to agree these tickets with those included in the Court's computer system.
 - 2 tickets were for parking violations and were not entered into the Court's computer system.
 - 5 tickets could not be located in the Court's computer system; however, the hard copy of the ticket was obtained. Using the Court fine schedule, we determined the Court was due \$810 in fines. For two of the cases, we determined the payment was received for this ticket; however, the receipt was not recorded in the computer system. The payments totaling \$470 are further reviewed in Issue No. 4. For the remaining three tickets with fines totaling \$340, we were unable to determine whether the defendant had remitted payment. We will recommend the Court contact these defendants to see if they have documentation supporting payment of the fines due to the Court.
3. We obtained a listing of 61 tickets from the Village of Carlisle's Police Department and compared that list to the tickets recorded in the Court's computer system. All tickets identified by the Village of Carlisle were recorded in the Court's computer system.
4. We obtained the Warren County Sheriff's Department records listing 1,416 tickets and compared those records to the Court's computer system with the assistance of ISA. We attempted to match the name, date, offense and social security number on the ticket and noted the following exceptions:
 - 84 tickets were entered into the Court's computer system incorrectly because of keying errors such as the transposition of ticket numbers. Once we determined the correct number sequence of the ticket, we were able to agree these tickets with those included in the Court's computer system.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- 44 tickets were issued to juvenile offenders. These cases were to be heard by the Warren County Juvenile Court. We confirmed these cases were filed with the Warren County Juvenile Court.
5. In addition to the weaknesses noted during our walkthrough in Issue No. 1, we identified the following internal control weaknesses related to the processing of tickets filed with the Court:
- Each day a Court Document Entry & Removal Sheet was signed and dated by the deputy clerk collecting the monies from the Police Department. The bonds were entered by an available deputy clerk and not necessarily the one who collected the monies. There was no documentation providing evidence which deputy clerk entered the monies into the Court computer system.
 - On a daily basis, the deputy clerks received tickets issued by law enforcement agencies to enter into the Court computer system. Once these tickets are entered, the case files are created and tickets are filed. No reconciliation of the tickets received from the law enforcement agencies to those entered into the system was performed. By not performing a reconciliation, there is the possibility of a ticket being issued but not recorded in the computer system.
 - We identified numerous data entry errors in the Court computer system including the transposition of ticket numbers, social security numbers and the misspelling of names. The Court should contact its software vendor and determine whether the software can be modified to prompt the deputy clerk to verify the accuracy of the information in the computer screen prior to completing the entering of the case file.

Management Comments

Proper Signatures

The Franklin Municipal Court received a summary of tickets/bonds received from the Franklin Police Department each day items are picked up. This summary is called the Court Document Entry & Removal Sheet and the deputy clerk responsible for picking it up each day signs the document and dates it. The deputy clerk takes the items back to the Court; however, this person does not always enter the tickets/bonds in the computer. The Clerk indicated that the data entry is usually assigned to someone who is in need of work. As a result, if a ticket or bond is not entered, it appears that the person who signed for it is the person who is responsible for the missing items.

We recommend if the duty of entering these tickets and bonds in the computer is assigned to another deputy clerk, that deputy clerk entering the information should also sign off on the "Court Document Entry & Removal" form.

Data Entry

Once tickets were received from the Ohio State Highway Patrol, Warren County Sheriff's Department, Village of Carlisle's Police Department and the City of Franklin Police Department, the deputy clerks recorded the information into the Court computer system and created a case file. We noted during testing that deputy clerks were not always entering the correct case information. For example, ticket numbers, social security numbers and names were not always read correctly which made it very difficult to verify whether a ticket was input into the Franklin Municipal Court's computer.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

We recommend that the Franklin Municipal Court deputy clerks practice due care when inputting ticket information. In addition, we recommend the Court contact its software vendor and determine whether the software can be modified to prompt the deputy clerk to verify the accuracy of the information in the computer screen prior to completing the entering of the case file. If a portion of the ticket is not legible, then we recommend the deputies contact the issuing department for clarification.

Ticket Accountability

On a daily basis, the deputy clerks receive tickets issued by law enforcement agencies to enter into the computer system. Once these tickets were entered, the case files were created and tickets were filed. No reconciliation of the tickets received to those entered into the system was performed. By not performing a reconciliation, there is the possibility of a ticket being issued but not recorded in the computer system. This could ultimately lead to fines not being collected by the Court.

We recommend each time the deputy clerk is finished entering a batch of tickets into the system, an independent individual reconcile the tickets entered per the system to the tickets received from the law enforcement agencies to ensure all are recorded in the computer.

Missing Tickets

During testing, we identified 67 tickets from the Ohio State Highway Patrol and 5 tickets from the City of Franklin's Police Department that were to be filed with the Franklin Municipal Court, but were not recorded in the Court's computer system. Of the 67 tickets, we were able to calculate based on the hard copy tickets the fines due to the Court totaled \$825. For the remaining 59 tickets, we were unable to identify the exact offense to calculate the fines because the hard copy tickets were not available. The value of fines associated with the remaining 5 tickets were \$810. If all tickets are not accurately recorded in the Court's computer system, the Court will not be able to collect these fines.

We recommend the Court contact the individuals listed on the ticket and determine if these fines were paid.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 3 - Review of Daily Bank Deposits

We compared support for daily deposits maintained by the bank for the Period to the tender received by the Court as identified on the computerized Daily Receipt Recaps to determine whether the daily collections were deposited in the bank intact.

Procedures

1. We issued a subpoena to Towne Bank for all supporting documentation for each daily deposit credited to the Court's bank account receiving traffic ticket payments for the Period and obtained a Daily Receipt Recap for each deposit during the Period which listed each receipt issued by the Court.
2. Due to the lack of supporting documentation maintained by Towne bank, we compared the amount deposited on the daily deposit slip to the amount recorded on the Daily Receipt Recap Report and verified whether the monies were deposited intact.
3. For the months of October 2000 through January 2001, the Municipal Court Clerk required its employees to record the case number on the deposit slip. For those months, we attempted to compare the names on the checks and/or money orders to those recorded on the Daily Receipt Recap to verify whether the defendants' cases reflected the payment.
4. We compared the payments for defendants identified in Result No. 3 as not recorded on the Daily Receipt Recap report to the files identified as deleted to determine whether the case file, for which the City had received payment, had been deleted from the Court's computer system.

Results

1. We issued a subpoena to Towne Bank on March 24, 2001, for deposits into the traffic account for the Period. The bank was unable to provide all of the deposit slips and/or supporting checks or money orders for the deposits made by the Court. In addition, we obtained the Daily Receipt Recaps and deposit slips from the Court.
2. We compared the total received by employee per the Daily Receipt Recaps to each employee's daily deposit slip. We identified 12 instances, totaling \$6,901 and ranging from \$15 to \$2,135, where the Daily Receipt Recap identified more monies collected by Ms. Hayslett than deposited. Ms. Hayslett was responsible for depositing the monies collected by the Court each day. Prior to the start of the Special Audit, Ms. Hayslett repaid \$887 to the Court. Therefore, we will issue a finding for recovery against Ms. Hayslett and her bonding company, jointly and severally, for public monies collected but unaccounted for totaling \$6,014 in favor of the City of Franklin Municipal Court.
3. During the initial review of the deposits provided by Towne Bank, we identified the deputy clerks were recording the case numbers on the deposit slip beginning in October 2000. We compared the available supporting documentation from the bank to the Court computer system and recorded the date receipted and the initials of the deputy who received the payment.

We identified 4 instances where a payment could not be traced to a case number on the deposit slip prepared by Ms. Hayslett. For 3 of the 4 instances, we were able to identify the case number in the computer system by searching the system for the defendant's name. We determined the monies were deposited in the Court's bank account; however, the 4 computerized cases, with fines totaling \$405 did not reflect a payment of the fines.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Due to a lack of supporting documentation from the bank and the deposit slips did not reflect case numbers, we were unable to verify whether payments deposited prior to October 2000 were recorded in the defendant's computerized case. However, the Clerk, Ms. Mullins, kept documentation of the 11 defendants who had complained to the Court that they had previously paid their fines and provided documentation to support their claim even though the Court computer system did not reflect the payment. Of the 11 instances, 10 instances totaling \$965 were deposited by Ms. Hayslett. We were unable to determine who deposited fines totaling \$75 which were not recorded on the defendant's computerized case file. Based on these complaints, the Court adjusted the defendants' cases to reflect the payment.

4. We compared the cases listed above to 43 deleted cases identified by the Court. None of the cases identified in Result No. 3 were deleted. In April 2001, we interviewed Sherry Mullins, Clerk, who indicated all deputy clerks had the ability to delete cases. Acceptable reasons for deleting a case would be expungement, a duplicate case number, or the case is over \$10,000, in which the case would be transferred to the Warren County Common Pleas Court.

We obtained a list of deleted files from the Clerk which detailed the station at which the case was deleted, who it was deleted by, date, case number and name. We obtained the reason for the deletion by review of the case files and inquiry with the Clerk. The results of the test were as follows:

- 12 cases were deleted due to expungement of the case.
- 1 case was above the \$10,000 threshold. Per Ms. Mullins, Municipal Court Clerk, since the case involved an amount in excess of \$10,000, it was returned to the attorney to be filed in Warren County Common Pleas Court.
- 1 case was input twice due to deputy clerk error.
- 1 existing case had a new case number assigned to it as the original charge was reduced by the Judge.
- 1 case was input in the system for a non-existent case.
- 27 cases did not have a reason for the deletion. Of the 27 cases, Ms. Diane Hayslett deleted 25 cases, one case was deleted by Joyce Biser, and one case was deleted at a terminal in the Court where all of the deputy clerks had access to the computer. Of these deleted cases:
 - We were unable to locate a copy of the computerized case file or the hard copy case file for 17 cases. Therefore, we could not calculate the fines due to the Court.
 - We were able to locate the hard copy case files for 9 cases, with fines totaling \$1,140. Of those 9 cases, 6 cases, with fines totaling \$765, were reviewed further in Issue No. 4 as these payments were received by the City of Franklin Police Department but were not recorded in the Court computer system. The fines for the remaining 3 cases totaled \$375.
 - We were able to locate the computerized case file on the Clerk's lap top which had not been updated by the Court computer system for 1 case, with fines totaling \$225.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

4. We also noted the following internal control weaknesses during the review of the documentation obtained from the bank:
- Beginning in October 2000, the Municipal Court Clerk required the deputy clerks to document the related case number on the checks or money orders received. However, a review of the case numbers indicated the deputy clerks were writing one case number for the defendant who had several cases and posting the payment to another case. We will recommend the deputy clerks write the case number the payment was posted to on the check/money order and also write the related receipt number to ensure the payment was posted to the correct case.
 - Each month the Municipal Court Clerk reconciled the bank account to the Court's records. However, she did not perform a reconciliation between the receipts recorded in the computer system to those deposited in the bank account.
 - We identified instances where the deputy clerks would cash personal and payroll checks from the Criminal and Traffic bank accounts. By doing so, the Court exposed itself to the potential of non-sufficient fund fees. This practice should be discontinued by the Court.
 - The Court did not have procedures in place to address overages and shortages between the Daily Receipt Recap and the deputy clerk's cash drawers. No controls existed to ensure overages were actually deposited in the Court's bank account. In addition, we noted the deputy clerks were required to pay with their own funds any shortages in their cash drawer at the end of the day. This practice should be discontinued by the Court.

Finding for Recovery

Ohio Rev. Code Section 1901.31(H) states in part "each deputy clerk shall take an oath of office before entering upon the duties of the deputy clerk's office and, when so qualified, may perform the duties appertaining to the office of the clerk." Ohio Traffic Rule 13(A) states "each court in Ohio is to establish a traffic violations bureau. ... The Court shall appoint its clerk as violation clerk. Fines and costs shall be paid to, received by and accounted for by the violations clerk."

Ms. Diane Hayslett's daily duties included posting the actions of the traffic and criminal court, processing cash and bail bonds, depositing monies received after creating the deposit slips, balancing the cash drawers, and preparing various Supreme Court reports.

During the audit period, Ms. Hayslett prepared deposit slips for each of the deputy clerks collecting fines and for herself. Beginning in October 2000, she collected the deposit slips prepared by the deputy clerks. Ms. Hayslett then deposited the monies in the Court's bank account. We compared the monies collected per the Daily Receipt Recap report to the daily deposit slip and identified 12 instances, totaling \$6,901, ranging from \$15 to \$2,135 where the total monies collected per the Daily Receipt Recap by Diane Hayslett exceeded the monies deposited.

Prior to the start of the Special Audit, Ms. Hayslett repaid Franklin Municipal Court \$887. In accordance with the foregoing facts, we are issuing a finding for recovery against Ms. Diane Hayslett and the Hartford Insurance Group, her bonding company, jointly and severally, for \$6,014 for public monies collected but unaccounted for, in favor of the City of Franklin Municipal Court.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Noncompliance Citations

Depositing Timely

Ohio Rev. Code, Section 9.38, states public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. Only the legislative authority may adopt this policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a less amount cannot be safeguarded, the public official must then deposit the money on the next business day.

Deposits were not made in a timely manner. In addition, the Court does not have a policy addressing the safeguarding of deposits less than \$1,000 for a period greater than 24 hours.

We recommend the Court implement policies and procedures to ensure compliance with the above requirement.

Destruction of Records

Ohio Revised Code Section 149.351, states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Ohio Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

Several case files could not be located in the Court's vault and had been deleted from the Court's computer. Based on the disappearance of these case files, we were unable to determine the fines due to the Court and if any payments were made.

We recommend that the Court follow and enforce the policy adopted by the City of Franklin concerning the destruction of records.

Management Comments

Case Numbers

As of October 2000, the deputy clerks were required to note the case number on each check received for payment. We identified there were case numbers written on the check beginning in October 2000; however, it was not the correct case number. There are times when a defendant has more than one case outstanding and therefore, they would have more than one case number. In several instances, the check reflected the major case number; however, the payment was credited to a different case. Therefore, the information recorded on the checks was inaccurate and could result in additional posting errors in the computer system.

We recommend the deputy clerks write the case number and related amounts on the check to ensure the correct case in the computer system reflects the payment. In addition, we recommend documenting the receipt number on the check to assist the clerks in verifying the payment was recorded in the computer system.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Monthly Reconciliations

The Clerk of the Municipal Court performed monthly reconciliations of the traffic and criminal bank accounts; however, there were several instances where variances were noted. Also, the Clerk did not reconcile the bank account deposits to the monthly receipts collected. Completing this reconciliation provides reliance that all monies collected per the Court's records were deposited and reduces the risk of irregularities from occurring. We identified 14 instances where the Daily Receipt Recap listing of monies collected exceeded the monies deposited with the bank.

We recommend the Court perform monthly reconciliations between the bank and the Court's monthly receipts to ensure the amounts collected agree to those that were posted to the traffic and criminal bank accounts. Also, when performing bank reconciliations, variances should be investigated during the time of the reconciliation. Variances should not be carried from month to month.

Cashing Personal Checks

We identified deputy clerks would cash personal or payroll checks with Court monies during the audit period from the traffic and criminal bank accounts. The Court is not a bank and should not be cashing checks for individuals. Cashing personal checks could cause the Court to experience an overage or shortage and fees for non-sufficient funds.

We recommend the Clerk of the Municipal Court implement a policy prohibiting the cashing of personal or payroll checks.

Shortages and Overages

We identified the deputy clerks were required to pay with their own funds any shortages in their cash drawer at the end of the day. There were no controls to ensure any overages were actually deposited in the Court's bank account which could result in the misappropriation of public monies.

We recommend the Clerk of the Municipal Court (the Clerk) request the establishment of a "Prime Account" to track overages and shortages. A "Prime Account" is an account within the Clerk's receipts and disbursing systems to track specific transactions (i.e. Clerk fees, Sheriff fees, Miscellaneous fees) A log should be maintained noting the deputy clerk and the instances when the deputy clerk had an overage or shortage. The new amount of the overages and shortages on the log should be added to or deducted from the City's share of fees collected. The shortages and overages incurred by each deputy clerk should be reviewed by a supervisor on a regular basis and used as supporting documentation for employee performance evaluations.

Back-up of Court Files

The Franklin Municipal Court did not back up its files on a timely basis. Franklin Municipal Court information constantly changed, and by not backing up the information, the Court could lose valuable information. An example is the deletion of a case that should not have been deleted. We identified 43 cases deleted in which the only available back-up for one was on the Clerk's personal computer which had not been updated with the latest files from the Court's computer system. If a back up copy did not exist, the Court would be unable to obtain information about the case. Without this information, the Court could lose monies due to them from cases filed with the Court.

We recommend that the Franklin Municipal Court back up their files on a timely basis and store the back-up tapes in an appropriate off-site area.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Deleted Cases

During the audit period, all of the deputy clerks had the ability to access and delete computerized case files. These cases were deleted with no explanation provided or for such reasons as, expungement, assigning a new number, transferring to the County Court or the case was entered twice. The ability to delete a case should be assigned to only those with the responsibility to determine the case should not be recorded in the Court. This should be limited to ensure only those cases requiring deletion should be required.

We recommend that only the Clerk be authorized to delete cases from the computer system. Prior to deletion, the Clerk should document in detail the reason for the deletion of the case. These deletions should be reviewed periodically by the Judge to verify the cases should be deleted. For errors in the computer system or the transferring of the case to another Court, this should be recorded in the computer system and the case should not be deleted.

Docket Back -up

A docket is printed for each case number and provides the case number, offense and the Judge's decision. A copy of the docket was maintained in the case file and also filed in the safe. The Franklin Municipal Court does not have a report detailing all the cases for a given period; therefore, if a case file is missing, so is the related docket. If the docket is missing, it is not possible to verify the Judge's decision for fines and the related costs.

We recommend that a copy of the docket be kept separate from the case file and filed in case number or date order so if the case file is misplaced or removed, another copy is available.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 4 - Review of Police and Sheriff Collections

We reviewed the cash bonds received by the City of Franklin Police Department and the Warren County Sheriff's Office to identify the amount received, and reviewed the amount recorded in the Court's computer system to verify whether these bonds were recorded in the related computerized case file for the cash bond collected and whether the cash bonds received by the City of Franklin Police Department or Warren County Sheriff's Department were deposited in the bank intact.

Procedures

1. We obtained the receipt books from the City of Franklin Police Department and Warren County Sheriff's Office and calculated the amount of cash bonds received on a daily basis during the Period.
2. We compared the bonds received by the City of Franklin Police Department and Warren County Sheriff's Office to those recorded in the Court's computer system to verify whether the bonds received by the law enforcement agencies were recorded in the Court computer system.
3. We compared the bonds received by the Franklin Police Department and the Warren County Sheriff's Office to the deposit information to verify whether the cash bonds collected by the Court were deposited into its bank account intact.

Results

1. We obtained the receipt books from the City of Franklin Police Department and Warren County Sheriff's Office. The daily collections at City of Franklin Police Department totaled \$34,137 and ranged from \$20 to \$1,215 each day. The daily collections at the Warren County Sheriff's Office totaled \$93,839 and ranged from \$60 to \$4,147 each day.
2. We attempted to trace every receipt issued during the Period by the City of Franklin Police Department to the Court's computer system. We identified 15 instances where the Police Department's receipt was not recorded or was only partially recorded in the Court's computer system. For those 15 instances, totaling \$2,229, the monies collected by the City of Franklin Police Department and provided to the Court were not recorded on the Daily Receipt Recap. Since the deposit slip agreed to the total on the Daily Receipt Recap, the \$2,229 was not deposited in the Court's bank account. Of the 15 cases, 6 were deleted by Ms. Hayslett, Chief Deputy Clerk, who was responsible for making the daily deposits. Prior to the start of the Special Audit, Ms. Hayslett repaid \$2,229 to the Court.

We attempted to trace every receipt issued during the Period by the Warren County Sheriff's Office to the Court's computer system. We identified 5 instances where the Warren County Sheriff's Office receipt was not recorded or was only partially recorded in the Court's computer system. 2 of the 5 cases are further reviewed in Result No. 3.

The remaining three instances, totaling \$1,385, were received by the Court, were not recorded in the Court computer system, and were not deposited in the bank account. Diane Hayslett, Chief Deputy Clerk, was responsible for the making the daily deposits for the bonds. Prior to the start of the Special Audit, Ms. Hayslett repaid \$1,385 to the Court.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

3. We compared the total received by the Warren County Sheriff's Office and the City of Franklin Police Department to the Court computer system, bond book and daily deposit slip. We noted the following exceptions:
- 8 instances, totaling \$5,655 and ranging from \$155 to \$2,000, were identified where a cash bond was received by the law enforcement agency, provided to the Court, recorded in the bond book, but not deposited in the bank.
 - One instance was identified where a bond of \$220 was received, the bond was forfeited by the Court, Ms. Hayslett recorded payment of \$125, and deposited \$125. The remaining \$95 was unaccounted for in the Court's records or bank account.

Ms. Hayslett was responsible for depositing the bond monies collected by the Court each day. Prior to the start of the Special Audit, Ms. Hayslett repaid \$1,286 to the Court. Therefore, we considered issuing a finding for recovery against Ms. Hayslett and her bonding company, jointly and severally, for public monies collected but unaccounted for, totaling \$4,464 in favor of the Franklin Municipal Court. After the start of the Special Audit, Ms. Hayslett repaid \$1,000 to the Court. The \$1,000 repayment will be considered a finding repaid under audit.

We also identified one instance in which a \$200 bond was received by Ms. Mullins, the bond was forfeited for the fines due, \$155 was applied to the case, a check was issued to the defendant for \$45, and \$155 was deposited in the bank. We are unable to account for \$45 of the original \$200 cash bond as having been deposited in the Court's bank account.

Finding for Recovery

Ohio Rev. Code Section 1901.31(H) states in part "each deputy clerk shall take an oath of office before entering upon the duties of the deputy clerk's office and, when so qualified, may perform the duties appertaining to the office of the clerk." Ohio Traffic Rule 13(A) states "each court in Ohio is to establish a traffic violations bureau. ... The Court shall appoint its clerk as violation clerk. Fines and costs shall be paid to, receipt by and accounted for by the violations clerk."

Ms. Diane Hayslett's daily duties included posting the traffic and criminal court actions, processing cash and bail bonds, depositing all money after creating the deposit slips, balancing the cash drawers, and preparing various Supreme Court reports.

During the audit period, Ms. Hayslett prepared deposit slips for deposits into the bond bank account and deposited the monies collected. We compared the monies collected to the daily deposit slip and identified the following:

- 9 instances, totaling \$5,750, ranging from \$95 to \$2,000 were identified where the total monies collected per the law enforcement agency receipts and the Court's bond book exceeded the monies deposited.
- 18 instances, totaling \$3,614, where cash bonds were received by the Court and were not deposited into the Court's bank account.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Prior to the start of the audit, Ms. Hayslett repaid the Franklin Municipal Court \$4,900. After the start of the audit, Ms. Hayslett repaid the Franklin Municipal Court \$1,000 in February 2002. We will consider the repayment of the \$1,000 as a finding repaid under audit. In accordance with the foregoing facts, we are issuing a finding for recovery against Ms. Diane Hayslett and the Hartford Insurance Group, her bonding company, jointly and severally, for \$3,464 for public monies collected but unaccounted for in favor of the City of Franklin Municipal Court.

Management Comments

Proper Signatures

The Warren County Sheriff's Department delivers the bond monies to the Franklin Municipal Court and each receipt is enclosed in an envelope which includes the case number, name, amount paid and any other important details. Once received by the Franklin Municipal Court, a deputy clerk reviews it for accuracy and initials the envelope. That same deputy clerk may input it into the computer or she may pass it to another deputy clerk for input; however, the data entry clerk does not initial the envelope as well. The envelopes with the deputy clerk's initials are not all maintained. We recommend that each envelope be maintained and that each deputy clerk who has responsibility over that payment initial the envelope.

Monthly Reconciliations

The Clerk of the Municipal Court did not perform monthly reconciliations between the bond book and the criminal bank account. Also, the Clerk did not reconcile the bond book to the monthly receipts collected. Completing proper reconciliation helps to ensure that all monies collected were deposited and the Court's activity matches the bank's activity. Not completing proper reconciliations could lead to the misappropriation of monies. Per review of daily receipts, we noted several instances where receipts were higher than the money deposited.

We recommend the Court perform monthly reconciliations between the bond book and the bank statement and to the Court's monthly receipts to ensure the amounts collected agrees to those that were posted to the criminal bank accounts and bond book.

Bond Deposits

The Court receives bonds for cases which are either made by cash or check. If a cash bond is returned before it has been deposited, then the person receives the cash back instead of a check. When this occurs, it could appear that monies are missing from the Court because they were not deposited.

We recommend the Court deposit each cash bond. When a bond needs to be returned, a check should be issued and cash should not be returned. Before a check is issued, the deputy clerk should check that a deposit slip was completed for this case. By completing this step, the Court will not return any money that has not been deposited.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 5 - Review of Case Files

We selected 30 case files and identified the sentences imposed by the Judge and compared the sentence documented in the case file to the sentence recorded in the Court's computer system for agreement.

Procedure

We obtained the first and last case number for traffic and criminal cases issued by the City of Franklin Municipal Court during the Period and selected 30 cases for review. We documented the case number, name, date, offense and fine to be collected and compared the documentation in the case files to the information in the computer system for discrepancies.

Result

We obtained the 30 case files from the City of Franklin Municipal Court's vault and reviewed each of the files. The case files contained the "Docket Entry" form, which has the case number, name, date, offense, and the judge-ordered fine amounts. We compared the information recorded in the case files, to the Court's computer system and confirmed the court costs assigned by the Judge were accurately reflected in the Court's computer system for all 30 cases.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Issue No. 6 - Review of Voided Receipts

We reviewed all voided receipts in the Court's computer system to determine whether the void was based on a valid Court action as described by the Municipal Court Clerk.

Procedures

1. We interviewed the Clerk to determine what constitutes a "valid" void.
2. We traced voids that occurred during the Period to determine whether there was supporting documentation to support the void and whether the void appeared to be a result of Court business.

Results

1. We interviewed Sherry Mullins, Municipal Court Clerk, and obtained an explanation of a "valid" void. A "valid" void is one in which the Court has both copies of the computerized receipt which indicate the word "void" and the reason for the void written on the receipt. She indicated common reasons for the voids were:
 - Computer/Printer error: Once a computer or printer error occurs, it exits the deputy clerk out of the screen and sends her back to the main menu, where she would have to enter the receipt again.
 - The wrong amount, case or name was entered into the Court computer system.
2. We obtained the 191 voids listed in the Court computer system for the Period for the Traffic/Criminal receipts. We then reviewed all of the voided receipts to determine if the hard copies of the receipts marked "void" had the reason indicated on it. The results of this review noted the following exceptions:
 - There were 44 instances where the receipt had been voided but there was no reason written on the receipt. We reviewed the computer system for a replacement receipt and 42 voided receipts had a replacement receipt.
 - There were 2 voided receipts, with fines totaling \$60, with no replacement receipt issued. We will recommend the Court contact these two defendants to verify whether payment was made to the Court.

Management Comments

Void Descriptions

Several voided receipts did not indicate the reason the receipt was voided. Writing "void" on the receipt shows that a correction was needed and the reason for the void should be documented on the receipt along with the number for the replacement receipt, so the Clerk can review for validity and correction of the problem. Without writing the word "void", it could make it difficult to balance at the end of the day. Also, not indicating the reason and replacement number makes it difficult to determine if the correction was made and if it was made timely. We recommend that each deputy clerk write a detailed reason for the void on the receipt and that the replacement receipt number also be indicated on the voided receipt.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Reviewing of Voids

Receipts are voided on a daily basis by the deputy clerks. When a receipt is voided, the deputy clerk is supposed to write the reason for the void on the receipt. Voids are not being reviewed by the Clerk for validity. Having management review voids on timely basis helps to ensure that excess voids are not being issued and that voids are for a valid reason. We recommend the Clerk review voids on a daily basis to make sure the void is valid and that a replacement receipt (if needed) was issued.



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CITY OF FRANKLIN MUNICIPAL COURT

WARREN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 24, 2002**