



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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**VILLAGE OF CANAL WINCHESTER
FRANKLIN COUNTY**

SCHEDULE OF ELECTED COUNCIL MEMBERS AND VILLAGE OFFICIALS
As of October 18, 2001

Council Members

Term

Rick Deeds	01/01/98 – 12/31/01
John Demkowicz	01/01/00 – 12/31/03
Peg Eisnaugle	01/01/00 – 12/31/03
Bruce Jarvis	01/01/00 – 12/31/03
John Benden	01/01/98 – 12/31/01
Bobbie Mershon	01/01/98 – 12/31/01
Francis Steube	01/01/98 – 12/31/01

Village Officials

Marsha Hall, Mayor

Ken Salak, Finance Director

Gene Holland, Solicitor

M. Kay Betzler, Mayor's Court Clerk*

* Ms. Betzler was terminated on October 18, 2001. Ms. Betzler was bonded by the State Automobile Insurance Company for \$10,000

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REPORT OF INDEPENDENT ACCOUNTANTS

The Honorable Marsha Hall,
Mayor
Honorable Bruce Jarvis, Council President
and
Mr. Ken Salak, Finance Director
Village of Canal Winchester
36 South High Street
Canal Winchester, Ohio 43110

We have conducted a special audit by performing the procedures enumerated in the attached Supplement to the Special Audit Report for the period October 1, 2000, through October 18, 2001 (the Period), solely to:

- Determine whether tickets issued by the Franklin County Sheriff's Office were recorded in the Court computer system.
- Determine whether payments received by the former Mayor's Court Clerk were deposited in the bank intact.
- Identify whether voided receipts recorded in the Court computer system were voided based on a valid Court action.
- Determine if Court-issued manual receipts were posted to the Court computer system and payments received were deposited in the bank intact.

This engagement was conducted in accordance with consulting standards established by the American Institute of Certified Public Accountants. The procedures and associated findings are detailed in the attached Supplement to the Special Audit Report. A summary of our procedures and significant results is as follows:

1. We obtained the traffic tickets issued by the Franklin County Sheriff's Office and compared the issued tickets to the tickets recorded as filed in the Court's computer system.

Significant Results - For the Period, neither the Court nor the Franklin County Sheriff's Office could account for or locate 57 tickets issued to the Sheriff Deputies and filed with the Court. We issued 4 internal control recommendations regarding the Court's tracking of tickets issued to deputies; tracking of tickets voided by either the Court or the deputy; and reviewing of tickets received from the supply vendor to ensure duplicate tickets were not provided.

2. We obtained the supporting documentation for the daily deposits and compared the supporting documentation to the tender types and case names recorded on the Court's Daily Cashbook Report to verify the monies received were deposited intact and were credited to the defendants' computerized case files.

Significant Results – We identified 29 occasions, totaling \$3,715, where the cash received per the Daily Cashbook Report was more than the cash recorded as deposited. In addition, there was one day in which the Daily Cashbook Report reflected \$80 more than the deposit amount. Marlene Kay Betzler, former Mayor's Court Clerk, was responsible for collecting the monies, recording the payments in the Court computer system and depositing the monies into the Court's bank account. We issued findings for recovery against Marlene K. Betzler and State Automobile Insurance Company, her bonding company, for \$3,795 of public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court. We had also considered a finding for recovery totaling \$475 against the Village in favor of the Treasurer of the State of Ohio for public monies collected but not remitted; however, on September 17, 2002, prior to the release of our report, the Village remitted the \$475 owed to the State for fees collected. As a result, we considered the \$475 a finding for recovery repaid under audit.

We issued 3 noncompliance citations and 3 internal control recommendations regarding the collection of fines due to the Court and the depositing of monies received by the Court.

3. We reviewed the voided receipts recorded in the Court computer system to verify the void was based on a valid Court action.

Significant Results – We reviewed 110 voided receipts and determined for 27 of the voided receipts, a replacement receipt was not issued and the defendant's computerized case file did not reflect that payment had been made. We determined a receipt was issued only when monies were collected by the former Mayor's Court Clerk. Therefore, the fines totaling \$3,005 for the 27 voided receipts were collected and not deposited in the Court's bank accounts. We issued a finding for recovery against Ms. Betzler and her bonding company for the \$3,005 of public monies collected but unaccounted for in the Court's deposits.

We issued an internal control recommendation that the Mayor periodically review each day's receipts and Daily Cashbook Report to verify the reason for any voided receipts is consistent with Court business.

4. We compared all Court-issued manual receipts to the Court's computer system and identified whether the monies received were recorded in the defendant's computerized case file and deposited in the Court's bank account intact.

Significant Results – We reviewed the available manual receipt books and identified 7 instances, totaling \$815, in which manual receipts were issued and the monies were not deposited into the Court's bank account. We also identified 20 computerized receipts issued by the former Mayor's Court Clerk which were not deposited in the Court's bank account totaling \$2,090.

The Village contacted defendants whose computerized case file did not reflect that payments had been made. Five defendants' submitted copies of manual receipts received from the Court indicating fines, totaling \$520, had been paid. However, these monies were not deposited into the Court's bank account. We also identified an additional \$400 of fines collected by the Court and not deposited in the Court's bank account intact.

We issued findings for recovery against Marlene K. Betzler and State Automobile Insurance Company, her bonding company, jointly and severally, for \$3,825 of public monies collected but unaccounted for in favor of the Village of Canal Winchester's Mayor's Court

We determined Ms. Betzler collected money orders, totaling \$370, from two defendants and deposited the money orders into the Canal Winchester Labor Day Festival Committee's bank account instead of the Court's bank account. We considered issuing a finding for recovery to recover these funds. On September 17, 2002, prior to the release of our report, the Canal Winchester Labor Day Festival Committee remitted payment of \$370 to the Village. As a result, we consider the \$370 a finding for recovery repaid under audit.

We issued 6 internal control recommendations regarding the processing and recording of manual and computerized receipts issued by the Court.

5. In addition to noncompliance, errors, and internal control weaknesses noted in Issue No. 1 through 4, we issued 2 additional noncompliance citations and 14 additional internal control recommendations. The Village should seriously consider these matters to reduce the risk of fraud and theft and ensure that transactions processed by the Court are completely and accurately recorded.
6. On September 16, 2002, we held an exit conference with the following individuals:

Rick Deeds, President
Frances S. Stebe, Council Member
John Bender, Council Member
Ken Salak, Finance Director

Peg Eisnaugle, Vice President
Bobbie Mershon, Council Member
Marsha Hall, Mayor
Gene Hollins, Village Solicitor

The attendees were informed that they had five business days to respond to this Special Audit Report. A response was received on September 20, 2002, evaluated, and modifications were made to the attached Supplement to the Special Audit as we deemed appropriate.

This report is intended solely for the information and use of the Village of Canal Winchester and is not intended to be and should not be used by anyone other than these specified parties. However, 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.



Jim Petro
Auditor of State

June 28, 2002

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Supplement to the Special Audit Report

Background

On October 18, 2001, the Village of Canal Winchester terminated Marlene K. Betzler, Mayor's Court Clerk, for reasons unrelated to her Mayor's Court duties.

Three defendants came to the Village Offices during the week of October 22, 2001, and indicated that each had paid their traffic ticket. However, the Bureau of Motor Vehicles had indicated the defendants' driver licenses and/or license plates could not be renewed because the defendants had unpaid traffic tickets at the Village of Canal Winchester. The first defendant stated he had appeared for Court and described the Village Town Hall where Court was held and the Mayor's Court Clerk who received his payment. The defendant indicated his fines, totaling \$320, were paid in cash. The remaining two defendants were able to produce copies of the receipts obtained at the time of payment to the Court. The case files in the Court computer system indicated no payment had been received on these cases and each defendant's license had been suspended. The Village reinstated the defendants' licenses based on the documentation provided.

Mayor Marsha Hall and Janet Armentrout, Receptionist/Utilities Clerk, began reviewing the records in the Mayor's Court Clerk's Office. Mayor Hall located monies which had not been deposited and a stack of tickets hidden in a box under the Mayor's Court Clerk's desk. It was determined the hidden tickets had not been entered into the Court computer system. The manual receipt books for receipts issued in 2000 through July 2001 could not be located in the Village Hall or the Town Hall.

Mayor Hall also found seven months of unopened bank statements. The bank statements indicated the account had an unusually large balance. To obtain an explanation for the balance, Mayor Hall began reviewing the October 2001 Daily Cashbook Report generated from the Court's computer system. Mayor Hall identified the following discrepancies:

- Several voided receipts were listed on the Daily Cashbook Report. The carbon copy of the receipts identified the same receipt number was voided several times on the same day for different defendants.
- The names listed on the receipts recorded in the Daily Cashbook Report did not agree with the name on the computerized case file where the receipt was recorded. In these instances, one of the two defendants' case files did not indicate payment was tendered.
- The same receipt number and dollar amount were recorded as payment for two unrelated tickets. In these instances, the computerized case file indicated two payments were received; however, only one of the two receipts was deposited.
- A comparison between the monies deposited for October 2001 to the fines collected per the hardcopy case files identified a discrepancy of \$570. Mayor Hall was concerned there was \$570 missing from the Court's bank account.

On November 5, 2001, representatives from the Auditor of State's Office met with Mayor Marsha Hall and Ken Salak, Finance Director, to discuss the discrepancies identified. Village officials also indicated the former Mayor's Court Clerk had recently taken expensive trips and had requested permission after her termination to "clean up" the Mayor's Court's books after office hours.

We performed a preliminary review of the discrepancies identified by the Village. We verified the instances where two names were used for the same receipt and only one defendant's account received a credit for payment. We also verified the tenders listed on the cashbook did not agree to the tenders deposited.

This information was presented to the Auditor of State's Special Audit Committee and on November 13, 2001, the Committee voted to initiate a Special Audit of the Village of Canal Winchester's Mayor's Court.

Supplement to the Special Audit Report

Issue No. 1 – Review of Tickets Issued by Franklin County Sheriff’s Office

We obtained the traffic tickets issued by the Franklin County Sheriff’s Office and compared the issued tickets to the tickets recorded as filed in the Court’s computer system.

Procedures

1. We obtained the issued tickets maintained by the Franklin County Sheriff’s Office (FCSO), tickets filed at the Court, and a computerized file of the tickets recorded as filed with the Village of Canal Winchester’s Mayor’s Court (the Court).
2. We compared the tickets issued by FCSO to those recorded as filed in the Court computer system and identified tickets that were issued but not recorded in the Court computer system or filed in the Court’s case files.

Results

1. The FCSO provided the pink copies for 1,097 tickets issued by the deputy sheriffs during the Period. The tickets maintained by FCSO were received from the Mayor’s Court Clerk. We were unable to extract from the Court’s database the tickets issued and filed with the Court during the Period. As a result, we were unable to conclude whether all tickets issued by the deputy sheriffs were recorded in the Court’s computer system. Since we were unable to identify the number of tickets recorded in the Court’s computer system, we generated a listing of tickets issued by the FCSO and filed with the Court by using the actual hard copy case files maintained by the Village. The hard copy case files indicated there were 1,131 tickets filed with the Court by the FCSO.
2. We compared the tickets issued by the FCSO to the tickets recorded in the Court computer system and the hard copy case files. We noted the following:

Comparison of FCSO records to the Court Computer System

We originally identified 9 tickets in the records provided by the FCSO which were not recorded in the Court’s computer system. Upon further review, 8 ticket numbers were found to have been entered incorrectly; however, the tickets were recorded in the Court computer system. One ticket was not recorded in the Court computer system. The Village contacted the defendant for the ticket not recorded in the Court computer system to determine whether payment was remitted. The defendant indicated monies were paid; however, the defendant was unable to provide documentation supporting the payment.

We identified 75 tickets issued during the Period per the Court’s computer system which were not included in the FCSO records. Since the former Mayor’s Court Clerk allegedly sent the pink copy of the ticket the Sheriff’s Office, and through her attorney, refused an interview, we were unable to conclude why the tickets were recorded in the Court’s computer system but were not maintained by the Sheriff’s Office.

Comparison of FCSO records to the Hard Copy Case Files

We identified 58 tickets provided by the FCSO which were not located in the Court’s case files and 74 tickets located in the Court’s case files but not in the records from the FCSO. Since we were unable to locate the 58 hard copy case files, we verified the 58 tickets were recorded in the Court computer system. Of the 74 tickets located in the hard copy case files but not included in the records provided by the FCSO, we determined:

- 47 tickets were not maintained by FCSO.
- 27 tickets were voided by the Court in the Court computer system.

Supplement to the Special Audit Report

Court Computer System Records vs. Hard Copy Case Files

We compared the tickets maintained in the Court computer system to those filed in the Court's records and noted 108 tickets recorded in the Court's computer system that were not included in the Court's hard copy case files or the records provided by the FCSO. Of these 108 tickets,

- 32 tickets were returned by the deputies to the Court un-issued.
- 15 were identified by the deputies as being in their possession.
- 3 tickets were voided by the deputies.
- 1 ticket was identified as missing by a deputy.
- 57 tickets could not be accounted for by either the Court or the Franklin County Sheriff's Office.

3. We also noted the following weaknesses during the comparisons of the tickets:

- Ticket logs were maintained by the Clerk which identified the ticket numbers signed out by the FCSO deputies. A review of the log identified 7 instances where the log was not completed by the deputy; 11 instances where the ending number of the series of tickets obtained was not identified on the log; and 5 instances where the tickets were not issued in sequential order. A recommendation will be issued to maintain a log of the tickets issued, including who the tickets were issued to, what ticket numbers were issued, and the date the tickets were issued to the deputy. This log should be reviewed daily to ensure accuracy and to identify which officer was responsible for the tickets obtained from the Court.
- One case file in the Court computer system reflected a payment posted twice. This resulted in the Court computer system indicating the Court owed the defendant a refund even though the monies were collected only once.
- The Court did not have procedures in place to ensure all tickets received by the Court from the deputies were entered into the Court's computer system and ensure fines due to the Court were collected.
- Sheriff Deputies voided 3 tickets and did not notify the Court the ticket had been voided. Therefore, the Court was unable to account for the disposition of these 3 tickets. In addition, the Court did not have procedures in place for processing tickets voided by either the Court or the Sheriff Deputies.
- We identified 3 instances where duplicate ticket numbers were issued to defendants. It appears the ticket numbers were altered at the Court.

Management Comments

Ticket Accountability

On a daily basis, the Mayor's Court Clerk received tickets issued by the FCSO to enter into the Court computer system. Once these tickets were entered, case files were created and the tickets were filed. No reconciliation of the tickets received from the officers to the tickets entered into the system was performed. By not doing so, there is the possibility that a ticket is issued but not recorded in the system. This could ultimately lead to fines not being collected by the Court.

We recommend on a periodic basis an independent individual reconcile the tickets received by the Court from the FCSO to the tickets entered into the Court computer system. On a periodic basis, an individual, independent of the Clerk entering the tickets into the Court computer system, should contact the FCSO and compare the number of tickets the FCSO has recorded as being issued for the Court to those entered into the system to ensure all tickets were entered into the Court computer system. In addition, the individual should reconcile, on a monthly basis, the tickets filed by FCSO deputies to those issued to the deputies and identify the disposition of the tickets not returned to the Court.

Supplement to the Special Audit Report

Ticket Issuance

We identified 7 instances where the deputy had not completed the ticket issuance log, 11 instances where the ending number for the series of ticket numbers signed out was not completed, and 5 sets of tickets which were issued out of number and date sequence. As a result, we were not able to account for all ticket numbers that would have sequentially been issued during the audit period. By not being able to account for all the ticket numbers, the Court is unable to verify all fines and fees due to the Court were collected.

We recommend the Mayor's Court Clerk review the ticket issuance log on a daily basis and verify the log accurately reflects the tickets signed out by the deputies. If the log is incomplete, the Mayor's Court Clerk should contact the deputies from the previous night to identify which deputy removed the tickets from the Court.

Voided Tickets

We identified 27 instances where traffic tickets were voided by the Court or FCSO deputies. The Court does not have procedures to be followed when recording the voiding of traffic tickets. Inconsistent procedures in processing voided tickets could result in the inability to account for all tickets issued to deputies and those returned to the Court.

We recommend that deputies return the voided ticket numbers to the Court and the Court maintain them in their records. We recommend the Court enter all the voided tickets into the computer to improve accountability for all tickets issued to deputies.

Duplication of Ticket Numbers

We identified 3 instances where duplicate ticket numbers were issued to defendants. It appears the ticket numbers were changed at the Court. The duplication of numbering occurred when the vendor provided new tickets to the Court. The former Mayor's Court Clerk failed to review the ticket numbers when received to ensure there was no duplication of ticket numbers.

We recommend that the Village designate an employee to review the tickets received from the vendor at the time they are shipped.

Supplement to the Special Audit Report

Issue No. 2 – Review of Court Deposits

We obtained the supporting documentation for the daily deposits and compared the supporting documentation to the tender types and case names recorded on the Court's Daily Cashbook Report to verify the monies received were deposited intact and were credited to the defendants' computerized case files.

Procedures

1. We issued a subpoena to obtain all supporting documentation for deposits into the Village of Canal Winchester's Mayor's Court bank account for the Period and obtained all of the Daily Cashbook Reports supporting the deposits. We compared the deposit information to the Daily Cashbook Reports to verify whether all Court monies collected were deposited intact.
2. We compared the money orders, checks, and cash identified in the daily deposit slips supporting documentation to the Daily Cashbook Reports and the Court's computer records to determine whether payments were credited to the defendants' computerized case files.
3. We reviewed the personal bank accounts of Ms. Marlene K. Betzler, former Mayor's Court Clerk, to determine whether Court monies were deposited into her personal accounts.

Results

1. We obtained the supporting documentation for 221 deposits, totaling \$99,889, in the Mayor's Court bank account maintained at Huntington National Bank. We obtained 219 Daily Cashbook Reports from the Mayor's Court records. For October 17 and 18, 2001, we used the Court-issued manual receipts because the Daily Cashbook Reports for those two dates included errors made by the Village when attempting to correct errors in the Court computer system.

We compared the deposit slip supporting documentation to the receipts contained in the corresponding Daily Cashbook Report¹ and identified 29 days where the deposited cash did not equal the cash received per the Daily Cashbook Report. The shortage of deposited cash totaled \$3,715 and ranged from \$70 to \$350. In addition, the Mayor's Court Daily Cashbook Report dated October 24, 2000, identified the Mayor's Court collected \$640 in payments; however, the Village deposited \$560. As a result, there was \$80 collected but not deposited by the former Mayor's Court Clerk.

Since it was the responsibility of the former Mayor's Court Clerk to collect fines, record the fines in the Court computer system, and deposit the fines collected each day, we will issue a finding for recovery against Marlene K. Betzler and her bonding company, jointly and severally, for \$3,795 of public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.

2. We identified discrepancies with 39 cases, with fines totaling \$3,715, which were related to the instances identified in Result No.1. A record of payment existed for the 39 cases in the deposit slip supporting documentation; however, the defendant's name was not included on the Daily Cashbook Report.

For 22 of the 39 cases, totaling \$2,090, the computerized case file did not reflect the payment. The name listed on the money order or check was not included in the listing of defendants paying fines in the Daily Cashbook Report.

¹ The supporting documentation, including copies of checks and money orders, were traced to the checks and money orders listed on the daily cashbook. The computer system allowed the former Mayor's Court Clerk to enter the type of tender received. In some instances, the former Mayor's Court Clerk did not enter a type of tender in the receipt screen. For instances where no tender type was listed and we could not trace the name on the cashbook to a check or money order in the deposit, we considered the tender type to be cash. We then compared the remaining receipts not traced to the deposit supporting documentation to the cash listed on the deposit slip to verify the cash collected was deposited intact.

Supplement to the Special Audit Report

For 8 of the 39 cases, totaling \$805, the computerized case file did not reflect the posting of the payment to the defendant's case files. The hard copy case file provided a receipt number for the monies received; however, the Daily Cashbook Report listed the receipt number, identified in the hard copy case file, with a different defendant's name.

For 9 of the 39 cases, totaling \$820, we determined the monies collected were posted to another defendant's case file or a previous payment in the case file was altered to reflect the ticket was paid in full.

3. We were unable to determine the source of 23 cash deposits, totaling \$15,811, into Ms. Betzler's credit union bank account. Through her attorney, Ms. Betzler refused our request for an interview.
4. A review of the Daily Cashbook Reports, related tickets, and the daily deposit supporting documentation also identified the following weaknesses:
 - 8 instances were identified where the money order did not specify an address, ticket number and/or the signature was undecipherable. We were unable to identify which defendant paid his/her fines with the money order. We will recommend the Court record either the case number or receipt number on the check or money order to ensure all monies collected are deposited.
 - One receipt was issued to two different defendants.
 - 24 instances were identified where the \$9 Victims of Crime Fund fees and \$11 Reparations fees were collected and not paid into the State of Ohio Victims of Crime Fund and General Revenue Fund, respectively. As a result, \$211 in Victims of Crime Fund Fees and \$264 of Reparations Fees were not posted on the Daily Cashbook Report nor were the fees remitted to the State of Ohio's Victims of Crime Fund and General Revenue Fund, respectively. On September 17, 2002, the Village remitted the \$475 to the Treasurer of the State of Ohio for fees collected but not previously remitted. We will consider this a finding for recovery repaid under audit.
 - We identified 33 receipts where monies were noted as collected for one moving violation listed on the ticket; however, the remaining moving violations on the ticket did not reflect monies due to the Court or fines that had been suspended. The Magistrate ruled no monies were due for charges for 19 of the receipts. For 12 of the receipts, the computerized docket listed fines of \$900 as being dismissed by the Clerk. Ohio Rev. Code Section 1905.01 (A) provides only the Magistrate has the authority to render decisions on cases. The docket for the remaining 2 instances, totaling \$80, reflected monies were to be collected; however, the Court computer system reflected no monies were due.
 - 37 receipts were issued out of date sequence.
 - 8 instances were identified where the monies collected were deposited more than 48 hours from collection.
 - The Daily Cashbook Report did not list the tender type for 284 receipts and listed the wrong tender type for 98 receipts.
 - 192 instances were identified where the Daily Cashbook Report was not prepared the day the monies were deposited.

Finding for Recovery Repaid Under Audit

Victims of Crime and General Revenue Fees

Ohio Rev. Code Section 2743.70(A) states that, "(1) The Court, in which any person is convicted of or pleads guilty to any offense that is not a moving violation, shall impose the following sum as costs in the case in addition to any other court costs that the court is required by law to impose upon the offender; (a) Thirty dollars, if the offense is a felony; (b) nine dollars, if the offense is a misdemeanor. The court shall not waive the payment of the thirty or nine dollars court costs, unless the court determines that the offender is indigent and waives the payment of all court costs imposed upon the indigent offender. All such moneys shall be transmitted on the first business day of each month by the clerk of the court to the treasurer of state and deposited by the treasurer in the reparations fund."

Supplement to the Special Audit Report

Ohio Rev. Code Section 2949.091 (A) (1) states, "The Court, in which any person is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, shall impose the sum of eleven dollars as costs in the case in addition to any other court costs that the court is required by law to impose upon the offender. All such moneys collected during a month shall be transmitted on or before the twentieth day of the following month by the clerk of the court to the treasurer of state and deposited by the treasurer of state into the general revenue fund. The court shall not waive the payment of the additional eleven dollars court costs, unless the court determines that the offender is indigent and waives the payment of all court costs imposed upon the indigent offender."

We identified 24 instances totaling \$211 where all or part of Victims of Crime fund fees were collected by the Court, but not remitted to the Treasurer of Ohio for payment into the Victims of Crime Fund, also known as the Reparations Fund. We also noted 24 instances totaling \$264 where General Revenue Fund fees were collected, but not remitted to the Treasurer of Ohio for payment into the General Revenue Fund.

We proposed a finding for recovery for the fees collected but not remitted. On September 17, 2002, the Village remitted the \$475 to the Treasurer of Ohio for payment into the Victims of Crime and General Revenue Funds. We will consider this a finding for recovery repaid under audit.

Finding for Recovery

Cash Collections

Ohio Traffic Rule 13(A) states "each court in Ohio is to establish a traffic violations bureau. ... The Court shall appoint its clerk as violations clerk. Fines and costs shall be paid to, receipted by and accounted for by the violations clerk."

Marlene K. Betzler, Mayor's Court Clerk, provided a receipt to the defendants paying their fines. At the end of the day, Ms. Betzler prepared a deposit slip and deposited the monies into the Mayor's Court bank account. By reconciling the supporting documentation for each bank deposit obtained from the bank and the Daily Cashbook Report, we identified cash monies received by Ms. Betzler were replaced with checks and/or money orders to ensure that the total deposit agreed to the total collections for the day.

We identified the following discrepancies:

- With the exception of one deposit, the total amount of moneys listed on the daily deposit agreed to the Daily Cashbook Report receipt total. However, the amount of cash deposited did not agree to the cash collected per the Daily Cashbook Report reports on 29 occasions.² The variance was \$3,715 of cash collected and not deposited.
- The Mayor's Court cashbook dated October 24, 2000, identified the Mayor's Court collected \$640 in payments; however, deposited only \$560. As a result, there was \$80 collected but not deposited by the former Mayor's Court Clerk.

In accordance with the foregoing facts pursuant to Ohio Rev. Code Section 117.28, we hereby issue a finding for recovery of \$3,795 against Marlene Kay Betzler, former Mayor's Court Clerk, and State Automobile Mutual Insurance Company, her bonding company, jointly and severally, for public monies collected but unaccounted for, and in favor of the Village of Canal Winchester Mayor's Court.

Noncompliance Citations

Victims of Crime and General Revenue Fees

Ohio Revised Code Section 2743.70 states, "The Court, ..., shall impose the following sum as costs in the case in addition to any other court costs that the court is required by law to impose upon the offender; ... (2) nine dollars, if the offense is a misdemeanor."

² For each Daily Cashbook Report we added up all items by tender. The item was determined to be cash if the tender was listed as cash or if the tender was listed as check/money order and we could not locate a check/money order in the deposit. We then compared the amount of cash from the previous step to the amount of cash listed on the corresponding deposit slip.

Supplement to the Special Audit Report

Ohio Revised Code Section 2949.091 states, "The Court, . . . , shall impose the sum of eleven dollars as costs in the case in addition to any other court costs that the court is required by law to impose upon the offender."

We noted 24 instances totaling \$211 where the Victims of Crime fund fees were collected, but not paid into the Victims of Crime Fund, also known as the Reparations Fund. We also noted 24 instances totaling \$264 where General Revenue Fund fees were collected, but not paid into the General Revenue Fund. On September 17, 2002, the Village remitted these funds to the State of Ohio as required.

We recommend that the Village review the computer system to ensure the system is allocating the fees due to the Victims of Crime Fund and General Revenue Fund for all moving violations.

Dismissal of Cases

Ohio Rev. Code Section 1905.01 (A) states, in part, "...the mayor of the municipal corporation has jurisdiction, except as provided in divisions (B), (C), and (E) of this section and subject to the limitation contained in section 1905.03 and the limitation contained in section 1905.031 of the Revised Code, to hear and determine any prosecution for the violation of an ordinance of the municipal corporation, to hear and determine any case involving a violation of a vehicle parking or standing ordinance of the municipal corporation unless the violation is required to be handled by a parking violations bureau or joint parking violations bureau pursuant to Chapter 4521 of the Revised Code, and to hear and determine all criminal causes involving any moving traffic violation occurring on a state highway located within the boundaries of the municipal corporation, subject to the limitations of sections 2937.08 and 2938.04 of the Revised Code."

The Mayor's Court Clerk dismissed 12 traffic tickets with no prior approval from the Magistrate. The cases were not included on the Docket for dismissal by the Magistrate.

We recommend only the Magistrate adjudicate cases in the Village's Mayor's Court.

Depositing of Court Monies

ORC Section 9.38 states, "If the total amount of the public monies so received does not exceed one thousand dollars, the person shall deposit the monies on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the monies until such time as the monies are deposited."

The Village has not adopted a policy regarding the length of time the Village can hold funds before they are deposited. We identified 8 instances in which monies were not deposited on the business day following the day of receipt.

We recommend that the Village adopt a policy regarding the amount of time monies can be held prior to deposit. Adopting and adhering to a deposit policy ensures the regular and routine deposit of funds received by the Mayor's Court.

Management Comments

Tender Received

The Court computer system allows the Mayor's Court Clerk receiving the payment to enter the type of tender received such as cash, money order, or check. We identified 98 instances in which the tender recorded in the Court computer system did not match the tendered payment in the bank deposit, and 284 instances in which no tender was recorded by the former Mayor's Court Clerk. In one instance, the former Mayor's Court Clerk recorded the tender type as a credit card which was not an allowable method of payment. By not including the proper tender, the system does not report the true activity of the Court. It also prevents the Court from reconciling the monies received to monies deposited to verify the monies were deposited intact.

We recommend each time tender is received, the current Mayor's Court Clerk enter the type of tender received. In addition, the Village should work with the computer vendor to prevent the current Mayor's Court Clerk from processing a receipt if a type of tender has not been entered.

Supplement to the Special Audit Report

Cash Reconciliation Procedures

The former Mayor's Court Clerk prepared the deposit slip each day based on the money in her cash drawer. Either that day or at a later date, she generated the Daily Cashbook Report which was reconciled in total to the deposit slip. To generate the Daily Cashbook Report, the former Mayor's Court Clerk entered the beginning and ending receipt number. If she would have entered all receipts for that day, additional receipts would have been included in the report resulting in the report not agreeing with the deposit slip. By requiring an individual independent of the former Mayor's Court Clerk to prepare the deposit slip and compare the total by tender to be deposited to the amount collected per the Daily Cashbook Report by tender type for all receipts for the day, the Court would be able to detect irregularities in that day's receipts.

We recommend at the end of each day, an individual independent of the Mayor's Court Clerk generate the Daily Cashbook Report for all receipts issued and reconcile the tenders on the report to the tenders included for deposit in the Court's bank account to ensure monies are deposited intact.

Payments Received

During our review of the Daily Cashbook Reports to the corresponding deposits, we noted 8 instances where the money order in the deposit either did not list any information regarding the related defendant or the only information available was an undecipherable signature. As a result, we were unable to determine if the monies in the deposit corresponded to the defendants listed on the Daily Cashbook Reports.

We recommend that the Court document on the money order or check information including, but not limited to, the receipt number and/or the related case file number to ensure the monies in the deposit correspond to the monies listed on the Daily Cashbook Reports.

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Issue No. 3 – Review of Voided Receipts

We reviewed the voided receipts recorded in the Court computer system during the Period to verify the void was based on a valid Court action.

Procedures

1. We interviewed the Mayor and the Finance Director to obtain an explanation of when the former Mayor's Court Clerk would void a receipt as the result of a valid Court action.
2. We obtained a Deleted Receipts Journal³ for the Period and verified documentation supporting the void was maintained and whether the void was the result of Court-related business.

Results

1. Mayor Marsha Hall and Ken Salak, Finance Director, indicated a void would typically occur when incorrect information was recorded on the computerized receipt. When this occurred, the former Mayor's Court Clerk would then void the receipt and issue a replacement receipt.

The current Mayor's Court Clerk, Lori Nelson, brought to our attention that if the Clerk was in the process of entering information into the receipt screen and escaped from the receipt screen during processing, the Court computer system automatically voided the receipt.

2. The Deleted Receipts Journal identified 110 receipts, relating to 107 defendants that were voided in the Court computer system. Our review of the supporting documentation for these voids noted the following exceptions:
 - 19 voided receipts totaling \$2,030 did not have a replacement receipt issued. In addition, the receipt numbers were out-of-sequence with the other receipts issued for the day. The Daily Cashbook Report, generated by the former Mayor's Court Clerk, did not include these receipts. These monies were collected by the Court but unaccounted for in the Court's deposits.
 - 5 voided receipts totaling \$750 were recorded on the Court docket as paid; however, the case file did not reflect payment had been made and no replacement receipt was issued. These monies were collected by the Court but unaccounted for in the Court's deposits.
 - 2 voided receipts totaling \$175 were not recorded on the Court docket or the computerized case file as paid and no replacement receipt was issued. These monies were collected by the Court but unaccounted for in the Court's deposits.

A voided receipt indicates that an original receipt was issued and thus monies were collected. Additionally, the monies associated with the voided receipts were not deposited into the Village's accounts. As noted above, no replacement receipts in these instances were issued. We will issue a finding for recovery against Marlene K. Betzler and her bonding company, jointly and severally, for \$2,955 for public monies collected but unaccounted for, and in favor of the Village of Canal Winchester's Mayor's Court.

We also noted the following during a review of the voided receipts and related supporting documentation:

- 5 voided receipts totaling \$450 were related to tickets identified in Issue No. 2, where defendants paid their fines but the computerized case file did not reflect the payment. The payment was applied to another defendant's computerized case file.
- Two voided receipts totaling \$180 were related to a case file reviewed further in Issue No. 4.

³ The Deleted Receipts Journal is a computer-generated report which lists the receipts voided by the Mayor's Court Clerk during a selected timeframe.

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- No replacement receipt was issued for a \$50 voided receipt. The fee schedule indicated the fine was \$100. The amount due in the computer was changed from \$100 to \$50, with the amount paid to date being \$50. The \$50 paid to date was traced to a Daily Cashbook Report and its corresponding deposit. The second payment of \$50 was not recorded in the computerized case file, Daily Cashbook Report or the corresponding deposit. Therefore, the \$50 was collected by Ms. Betzler and unaccounted for in the Court's deposits. We will issue a finding for recovery against Marlene K. Betzler, and her bonding company, jointly and severally, for \$50 for public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.
 - Two voided receipts were related to the same case file and moving violation as two previously voided receipts.
 - One voided receipt was for a defendant who is deceased. The Court dismissed the violation.
 - One voided receipt for \$165 was subsequently paid by the defendant when the Village contacted him.
 - The computerized case file for two voided receipts, totaling \$60, indicated the Magistrate rendered a "not guilty" verdict or dismissed the case.
 - One voided receipt for \$80 was the result of a dismissal by the Magistrate; however, the date of the voided receipt was prior to the docket date.
 - One voided receipt, totaling \$0, did not have a replacement receipt issued. However, the case file does not reflect payment due because the fine due for the 1st moving violation was changed from \$125 to \$70. In addition, the Court had posted a \$100 payment twice. Therefore, the defendant still owed the Court \$100.
3. We noted the following additional weaknesses during the review of the voided receipts:
- The Court was not able to locate 56 of the original voided receipts.
 - The Court computer system did not require the former Mayor's Court Clerk, who was voiding the receipt, to provide an explanation for the void.
 - No review was performed by the Mayor to verify whether voided receipts were based on a valid Court action.

Findings for Recovery

Ohio Traffic Rule 13(A) states "each court in Ohio is to establish a traffic violations bureau. ... The Court shall appoint its clerk as violations clerk. Fines and costs shall be paid to, receipted by and accounted for by the violations clerk." Ms. Marlene K. Betzler, former Mayor's Court Clerk, provided a receipt to each defendant paying traffic ticket fines. We determined through discussions with available Court personnel that receipts were not issued by the Court for any other purpose. The Court computer system allowed the former Mayor's Court Clerk to void receipt transactions when needed.⁴ When a receipt was voided for a valid Court action, a new receipt should have been created on the Daily Cashbook Report to replace the voided receipt. Our review of voided receipts noted the following instances for which we are issuing a finding for recovery:

- There were 26 receipts listed as voided receipts on the Deleted Receipt Journal with fines totaling \$2,955. No explanation was provided for the voided receipt. Ms. Betzler also did not issue a replacement receipt for the 26 receipts nor did the computerized case files reflect payment of the fines for the 26 defendants.

⁴ Depending on where the former Mayor's Court Clerk was in the receipt or other case file screens, the computer would generate a voided receipt and the receipt would appear on the voided receipt journal and on the daily cashbook. Other times the receipt appeared only on the Cash Receipt Journal.

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- The fee schedule indicated the ticket fine was \$100. The amount due in the computer was adjusted from \$100 to \$50, with the amount paid to date being \$50. The \$50 paid to date was tied to a Daily Cashbook Report/corresponding deposit. This resulted in a balance of \$0. However, a copy of a \$50 voided receipt was located and a replacement receipt was not issued. The second payment of \$50 was not recorded in the computerized case file.

In accordance with the foregoing facts pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against Marlene Kay Betzler, former Mayor's Court Clerk, and State Automobile Insurance Company, her bonding company, jointly and severally, for \$3,005 of public monies collected but unaccounted for, and in favor of the Village of Canal Winchester Mayor's Court.

Management Comment

Voiding Capability

We noted the following weaknesses regarding the voiding of receipts in the Court's computer system:

- The Court's computer system allowed the former Mayor's Court Clerk to void transactions without providing an explanation for the void.
- The Court did not maintain both copies of the voided receipts in its records.
- The Mayor did not review the voided receipts and tickets in the Court computer system to verify the void was based on a valid Court action.
- We identified several instances where there was no voided receipt available⁵ for review. When a hard copy of the voided receipt was available for review, there was no explanation documented why the receipt was voided.

As a result of these weaknesses, there were 63 receipts issued and subsequently voided in which a replacement receipt was not issued. Upon further review of the receipts and the affected defendants' computerized case files, we determined there were monies collected by the former Mayor's Court Clerk which were not deposited in the Court's bank account.

All voided receipts should be reviewed to determine the reasonableness of the void, whether documentation for the void exists, and verify both copies of the voided receipt are marked as "void". The copies of the voided receipt should be maintained in accordance with the Court's records retention schedule. The Court should work with its computer system vendor to ensure the current Mayor's Court Clerk is required to provide an explanation prior to voiding a receipt and require the Court computer system to generate a copy of the voided receipt with the explanation.

⁵ Depending where the Mayor's Court Clerk was in the receipt or other case file screens, the computer would sometimes generate a voided receipt and other times include the voided receipt number on the daily cashbook.

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Issue No. 4 – Review of Manual Receipts

We compared all Court-issued manual receipts to the Court's computer system and identified whether the monies received were recorded in the defendants' computerized case files and deposited in the Court's bank account intact.

Procedures

1. We obtained the recorded Court-issued manual receipts for the period October 1, 2000 through October 18, 2001.
2. We verified whether the manual receipts were posted to the Court computer system, whether the defendants' computerized case files reflected payment, and whether monies received were deposited intact.

Results

1. The Court provided 122 manual receipts, totaling \$11,392, maintained in two receipt books for the audit period. Of the 122 manual receipts, 8 receipts listed two defendants and amounts which identified an additional \$940⁶ as received by the Court. The 122 receipts were issued between July 30, 2001 and October 18, 2001. The remaining 10 receipt books could not be located. As noted in Result No. 2 of this issue, our review of the available manual receipts noted instances where monies were collected but unaccounted for by the Court's former clerk. Had the remaining manual receipt books for the audit period been available, additional instances of monies collected but unaccounted for may have been noted.

A scan of the available receipt books identified that receipts were not issued in sequential order; 4 receipts were removed from the receipt book; and 8 receipts listed more than one defendant making a payment.

2. We traced the manual receipts to corresponding Daily Cashbook Reports to determine whether monies collected were recorded in the Court computer system and included in the corresponding deposit in the Court's bank account. We noted the following exceptions:
 - We identified 2 instances where each manual receipt listed 2 different defendants with payments of \$100 each. We were able to locate a payment for 1 of the 2 defendants identified on each of the receipts on the Daily Cashbook Report. The defendant's computerized case file reflected the payment recorded on the cashbook. The computerized case file for the other defendant listed on the receipt did not reflect payment. As a result, 2 of the 4 payments received were not deposited.
 - Two \$100 manual receipts were issued by Ms. Betzler to defendants paying their fines. We were unable to trace the monies received by the Court, totaling \$200, to the Daily Cashbook Reports and corresponding deposits.
 - A receipt for \$225 was issued to a defendant paying his/her fine. The yellow carbon copy of the receipt indicated that the former Mayor's Court Clerk changed the amount to \$120 and drew a line through the original defendant's name on the carbon copy receipt. We were able to verify the \$120 was recorded on the Daily Cashbook Reports and deposited. However, both the Daily Cashbook Report and corresponding deposit indicated the \$120 receipt belonged to a defendant other than the one originally listed on the receipt. We were unable to verify the \$225 remitted by the original defendant was recorded on the Daily Cashbook Report or deposited into the Village's account.
 - A receipt of \$170 was issued by Ms. Betzler to a defendant paying his/her fine. The yellow carbon copy of the receipt indicated the former Mayor's Court Clerk changed the amount collected to \$80.

⁶ For one of the receipts, it appears the former Mayor's Court Clerk failed to place a piece of cardboard between receipt pages which may have resulted in the imprint of amount from a previous receipt page on the receipt as both amounts received were deposited.

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We were able to trace only \$80 to the Daily Cashbook Report and corresponding deposit. Therefore \$90 was collected but unaccounted for in the Court's records.

- A \$100 manual receipt was issued by Ms. Betzler to a defendant paying his/her fine. The receipt identified a defendant's name and a ticket number belonging to another defendant. The computerized case file did not reflect any payments for the defendant whose ticket number was listed on the receipt. In addition, we could not trace the \$100 manual receipt to the Daily Cashbook Report or corresponding deposit.

The above payments, totaling \$815, were collected but unaccounted for by the former Mayor's Court Clerk, who signed as receiving the payment from the defendant. A finding for recovery will be issued against Marlene K. Betzler and her bonding company, jointly and severally, for \$815 of public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.

We also identified 27 receipts, totaling \$2,295, which did not list a defendant, date or ticket number. We were able to trace 25 receipts, totaling \$2,135, to the Daily Cashbook Reports and were unable to trace the remaining 2 receipts, totaling \$160, to the Daily Cashbook Reports. We will recommend an individual independent of the person recording the receipts in the Court computer system reconcile the manual receipts issued to those recorded in the Court computer system to ensure all receipts and payments were posted.

Review of Receipts Recorded in the Cash Receipts Journal

Because the manual receipts were not available for the entire audit period, we reviewed the Cash Receipt Journal for discrepancies. We verified the receipts were recorded as payments received in the Daily Cashbook Report.⁷ We traced the receipts listed on the Cash Receipt Journal to the Daily Cashbook Report as monies received with the exception of 184 receipts. Of the 184 receipts, there were 60 voided receipts. We reviewed the remaining 124 receipts and identified the following:

- 99 receipts were listed on the Cash Receipt Journal with a receipt number of 0 and an amount of \$0. We were unable to locate a receipt with the same date and moving violation on the Daily Cashbook Report. The current Mayor's Court Clerk, Lori Nelson, indicated the Court's computer system will generate this type of receipt when the Magistrate's judgment is entered regardless of whether monies were received.
- 18 receipts were issued with a receipt number between 1 and 1204 on the Cash Receipt Journal. We were unable to locate a receipt with the same date and same moving violation on the Daily Cashbook Reports. A review of the Daily Cashbook Reports indicated the former Mayor's Court Clerk entered the starting and ending receipt number to be included in each day's Daily Cashbook Report. These 18 receipts were issued but were excluded from the Daily Cashbook Report which agreed to the corresponding daily deposit. Of the 18 receipts:
 - 16 receipts, totaling \$1,620, were issued and no monies were recorded on the Daily Cashbook Report or included in the corresponding deposit. Therefore, these monies were collected by the former Mayor's Court Clerk but were unaccounted for in the Court's bank deposits. A finding for recovery will be issued against Marlene K. Betzler and her bonding company, jointly and severally, for \$1,620 in public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.
 - 1 receipt, totaling \$100, was reviewed as part of Issue No. 2.
 - 1 receipt related to a violation which was paid by the defendant at a later date.

⁷ The computerized daily cashbook, Cash Receipt Journal, and docket are interfaced in the computer system. Therefore, when a receipt was entered into the computer system, the system automatically recorded the receipt on the Daily Cashbook Report, Cash Receipt Journal, case file, and docket.

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- 7 receipts were issued with a receipt number between 8790 and 11056. We were unable to locate a receipt with the same date and same moving violation on the Daily Cashbook Reports. Of the 7 receipts:
 - Two receipts, totaling \$525, were not listed on the Daily Cashbook Reports because the monies were bonds collected previously by the Court and forfeited to pay for the fines owed by the defendant.
 - The hard copy case file for one receipt, for \$150, reflected a transfer of the bond to pay the fines owed by the defendant; however, the computerized case file did not reflect the transfer.
 - One receipt issued on August 30, 2001, for \$100, was issued out of sequence and would have been issued in October 2001, if it had been used in sequence. The monies were not recorded on the Daily Cashbook Report and were not deposited. Therefore, \$100 was collected by the Court but unaccounted for.
 - Receipt 11056 dated November 17, 2000, for \$190 was issued out of sequence and would have been issued after the end of the audit period, if it had been used sequentially. The monies were not recorded on the Daily Cashbook Report and were not deposited. Therefore, \$190 was collected by the Court but unaccounted for.
 - The former Mayor's Court Clerk provided receipts to the defendants paying their fines. The computer system allowed the same receipt number to be issued more than once. Receipt #9146, for \$145, was issued for payment on ticket #13691 and was listed on the daily cashbook report/corresponding deposit. The front of the ticket jacket for ticket #13691 indicated that receipt #9146 for \$105 was collected. Per the fee schedule, the amount due for ticket #13691 was \$105. Receipt #9146 was reissued for a payment of \$145 for ticket #13696 per the Cash Receipts Journal. Only \$40 was listed on the Daily Cashbook Report for ticket #13691. There is no record that \$105 collected for ticket #13691 was recorded in the cashbook or deposited into the Village's account.

We will issue a finding for recovery against Marlene K. Betzler and her bonding company, jointly and severally, for \$395 for public monies collected but unaccounted for, and in favor of the Village of Canal Winchester's Mayor's Court.

60 voided receipts listed on the Cash Receipts Journal were not listed on the Daily Cashbook Report generated by the Court. We noted 51 of the voided receipts were reviewed during Issue No. 3, and 9 of the receipts could not be located on the Deleted Receipt Journal⁸. We were unable to determine the reason for the void because the Village was unable to locate the voided receipt. In addition, a ticket number was not listed with the voided receipt to permit review of the related case file.

We also noted the following weaknesses during a review of the Cash Receipts Journal:

- We identified 6 gaps in the receipt sequence in the Daily Cashbook Reports during the audit period. Three of these gaps were potentially related to receipt numbers assigned by the new Mayor's Court Clerk for monies received outside of the audit period. We were unable to obtain an explanation for the remaining 3 gaps in receipt sequences.
- There were 160 voided receipts on the Cash Receipt Journal of which 110 of the voids were listed on the Deleted Receipts Journal reviewed in Issue No. 3. The Court should request the computer software vendor modify the system to reflect all voided receipts on the Deleted Receipts Journal.

⁸ See footnote no. 3.

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Review of Selected Receipts Posted to Computerized Case Files

We noted the receipts previously identified as monies missing from the Court typically did not include information in the judge, finding, and finding date fields. We obtained a report of 334 offenses with these three fields blank in the Court computer system for 2000 and 2001. We reviewed the supporting documentation in the computerized and hard copy case files and identified the following discrepancies:

- We identified 16 offenses were included in both the old and new Court computer systems. Although these offenses were outside of the audit period, the Court should maintain the offense in only one computer system to avoid duplication.
- 56 of the offenses were related to tickets maintained in the Court's license forfeiture drawer. The Village has attempted to contact these offenders via mail to verify whether payment was made. We recommend the Village continue to follow-up on these letters and determine whether the offenses need further review by the Magistrate.
- 13 defendants were issued 13 tickets for 15 offenses, with fines totaling \$1,590. These defendants were contacted by the Village based on the results of the Issues No. 2 and 3. Of these 13 defendants:
 - 4 defendants returned copies of manual receipts totaling \$420. Three of the receipts had manual receipt numbers which were assigned to a different defendant in the Daily Cashbook Reports. The fourth receipt did not contain a manual receipt number. We will recommend all of the manual receipts issued be pre-numbered. The \$420 received on these manual receipts was not recorded in the Daily Cashbook Report or included in the corresponding deposit. Therefore, the \$420 was collected by the Court but unaccounted for. We will issue a finding for recovery against Marlene K. Betzler and her bonding company, jointly and severally, for \$420 for monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.
 - 4 defendants sent written responses stating their ticket had been paid or paid in full and 3 indicated the payment was cash. The fines for these 4 tickets totaled \$475.
 - 3 defendants' letters were returned because the addresses were no longer current. The total monies due for these 3 tickets totaled \$495.
 - 2 defendants chose not to respond to the Village's request. The total fines due to the Court for these 2 tickets were \$200.
- The Court computer system for 50 offenses, relating to 36 tickets and totaling \$4,310, did not reflect payment had been made by the defendant. The Village contacted each of the defendants to determine whether payment had been tendered. The following was noted:
 - Two defendants responded by mailing a copy of the manual receipt that was issued for fines totaling \$180. Of the two receipts, one was issued by Gary Webb, Administrative Assistant to the Planning & Zoning Director, and one was issued by Janet Armentrout, Receptionist/Water Billing Clerk. Both Mr. Webb and Ms. Armentrout indicated in written statements that when each collected a fine payment, a manual receipt would be issued and the money collected was placed in either the bank bag located in the former Mayor's Court Clerk's desk drawer or the money was placed inside the ticket jacket which was then placed in the former Mayor's Court Clerk's desk drawer. Neither of the individuals deposited the money and instead provided the money to Ms. Betzler for further processing. The manual receipts were not recorded in the Daily Cashbook Report or corresponding deposit.
 - One defendant responded by mailing a copy of the \$100 money order used to pay his fines. We were unable to locate the money order in the Court's bank deposit support. We reviewed the money order obtained from First Star, and determined the payee listed on the money order was a retail store. In the bottom right corner of the money order was the defendant's signature and in the address line was Ms. Betzler's name and an account number. We confirmed with the store that this money order, originally provided to the Court for payment of fines due, was used to make a payment on a credit card account held by Ms. Betzler's husband.

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- One defendant responded by mailing a copy of the \$130 money order used to pay his fines and a copy of his Court-issued manual receipt. A review of the completed money order, obtained from Travelers Express, indicated the money order was deposited into the Canal Winchester Labor Day Festival Committee bank account. Ms. Betzler was the Treasurer of the Labor Day Festival Committee. The \$130 was collected by Ms. Betzler and unaccounted for the Court's bank deposits. On September 17, 2002, the Canal Winchester Labor Day Festival Committee wrote a check to the Village for this money order deposited incorrectly into its bank account. We will consider \$130 as a finding for recovery repaid under audit.

We will issue a finding for recovery against Marlene K. Betzler, and her bonding company, jointly and severally, for \$280 for public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.

We noted the following based on the responses to the remaining 32 tickets issued:

- Four defendants responded by sending a written confirmation that a full or partial payment had been made on the ticket. The payments indicated totaled \$445.
- One defendant responded by sending a written statement that the former Mayor's Court Clerk had told him since he "was a minor and had been fined as an adult, the defendant did not have to pay the fine or go to Court." Ms. Betzler then dismissed the case. A citation was issued in Issue No.2 that only the Magistrate has the authority to adjudicate cases.
- One defendant verbally responded he had remitted \$50 cash for his ticket even though the total amount due for the ticket was \$195.
- 8 defendants, with fines totaling \$900, did not receive their letters because of an incorrect address being listed on the ticket. However, one of the defendant's hard copy case file included a blue copy of the ticket in the case file. The only reason for the Court to have this copy would be if the defendant paid the \$70 fine and agreed to the guilty waiver. We will issue a finding for recovery against Marlene K. Betzler, for \$70 for public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.
- 17 defendants, with fines totaling \$2,025, did not respond to the request made by the Village. Therefore, we were unable to verify whether or not the fines had been paid by the defendants. However, a blue copy of a ticket citing two offenses was located in the hard copy case file which listed \$240 as payment of the fine for 1 of the defendants. We also located a post-it note written by Janet Armentrout, Receptionist/Utility Clerk, indicating she had come across the money order related to the ticket sitting in an envelope in the ticket file several days after the money order had been received. We were unable to locate a copy of the money order in the supporting documentation for the bank deposits. Ms. Armentrout indicated she had provided the payment to the former Mayor's Court Clerk for processing. We noted the money order from this defendant was deposited into the Canal Winchester Labor Day Festival Committee's bank account instead of the Court's. On September 17, 2002, the Canal Winchester Labor Day Festival Committee repaid the Village the \$240 incorrectly deposited into its bank account. We will consider \$240 as a finding for recovery repaid under audit.
- The Village was unable to locate the letter sent to one defendant with fines totaling \$70. We were unable to verify whether a letter was sent and a response was received.
- 76 offenses, with fines totaling \$7,660, were reviewed as discrepancies in Issues No. 1, 2, 3 and Results No.1 and 2 of Issue No. 4.

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- The Court's unwritten policy was to only release a forfeited license when the defendant has paid the fine in full or when the case has been dismissed by the Magistrate. One hard copy case file reviewed included a Court-issued release of forfeiture letter signed by Ms. Betzler. The defendant owed the Court \$125 in fines. However, there was no record of a payment on the Daily Cashbook Report, the corresponding deposit or the computerized case file which indicated fines were still due. Therefore, we will issue a finding for recovery against Marlene K. Betzler and her bonding company, jointly and severally, for \$125 in public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.

We noted the following weaknesses during a review of the above noted offenses:

- The Mayor's Court docket indicated for 4 offenses that the charges listed on the report had been dismissed; however, the Court computer system did not reflect the dismissal.
- 13 offenses were identified by the Franklin County Municipal Court as a case transferred from the Mayor's Court. However, the Court computer system did not reflect the transfer for 11 of the offenses. In addition, 2 cases were transferred to the Franklin County Common Pleas Court. We will recommend all actions of the Court be recorded in the computerized case files.
- One offense was dismissed by the Clerk instead of the Magistrate. A citation was issued in Issue No. 2 that only the Magistrate renders decisions on offenses including dismissals.
- One offense was listed in the Court computer system with a moving violation which did not list the Code Section violated. A review of the ticket indicated this offense did not exist. We will recommend the Court enter only those violations listed on the traffic ticket into the Court computer system.
- One offense was listed on the docket as needing an officer subpoenaed to discuss the offense. The offense was never listed on the docket again. We will recommend the Village review this offense and request the Magistrate rule on the case.

Comparison of Receipt Information Recorded on the Hard Copy Case File and the Computerized Case File

The former Mayor's Court Clerk recorded the receipt number on the front of the hard copy case file for payments remitted by defendants. We compared the receipt numbers and receipt amounts listed on the hard copy case file to the Court computer system. We identified 81 moving violations relating to 73 defendants, totaling \$1,465, in which the payment in the Court computer system did not agree with the payment information recorded on the hard copy case file. We noted the following during this review:

- 27 violations involved tickets maintained by the Court that were not included in the computer master file. 24 of the violations were the result of the Court voiding or not using the ticket and the remaining three violations have been reviewed in the other issues of this report.
- 2 violations involved tickets maintained in the license forfeiture drawer indicating payment had not been made by the defendant.
- 47 violations involved a discrepancy in the payment information recorded in the Daily Cashbook Report. Of the 47:
 - 33 of the violations were reviewed in Issue Nos. 2 and 3 of the report.
 - 8 violations listed payment information on the hard copy case file which belonged to another defendant.
 - 2 ticket numbers listed payment information that ties to the Daily Cashbook Report for only 1 of the tickets. Therefore, it appears one defendant overpaid and one did not pay, when actually both of the tickets were paid in full.
 - One hard copy case file reflected information which agreed to the cashbook with the exception of the dollar amount paid.
 - 2 violations were resolved when the defendant remitted payment after the audit period.

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- One ticket was a duplication of the ticket number listed in the Court computer system as a result of the printing company duplicating ticket numbers when printing the tickets. In Issue No. 1, we issued a recommendation for the Court to review the tickets received from the printer prior to issuance to avoid the duplication of ticket numbers.
- 4 instances where the information on the hard copy case file agreed to the Daily Cashbook Report; however, it did not agree to the information recorded in the computerized case file.
- 1 instance where the receipt number for the payment was recorded in the Court computer system, but the amount paid agreed to the amount recorded in the Daily Cashbook Report.

We noted the following internal control weaknesses during the review of the above-mentioned 81 offenses:

- 15 ticket numbers were identified on documents referencing the case number; however, these documents reviewed were not included in the hard copy case files. The hard copy case files could not be located by the Court.
- 9 violations were identified where the receipt number on the hard copy case file did not match the receipt number and amount paid in the Court computer; however, the receipt number and amount paid listed in the Court computer system agreed to the cashbook.
- 7 violations were dismissed by the Court.
- 2 tickets were related to criminal charges and were not reviewed.
- 2 cases reflected a disposition of guilty; however, no fines or costs were ordered by the Court.
- 1 violation related to a case in which the Court suspended the fines and the costs.
- 1 instance where the defendant's payment listed in the Court computer system agreed to the Daily Cashbook Report; however, the amount paid per the hard copy case file only agreed to 1 of the 2 receipts listed with the same receipt number per the Daily Cashbook Report.

The Village contacted the defendants where the information recorded on the hard copy case file did not agree with the information recorded in the Court computer system to clarify whether the defendant had paid all fines due to the Court. The Village sent letters to 12 defendants relating to 16 violations. The following responses were received:

- 4 defendants responded they had paid the fines in full using cash.
- 1 defendant paid his ticket upon receipt of the letter.
- 5 defendants did not respond.
- 1 defendant provided documentation of the payment which we reviewed as part of Issue No. 2.
- 1 defendant provided the Court a copy of the receipt for ticket 13882, signed by Ms. Betzler, which indicated he had paid a fine of \$100. This fine was not located in the Daily Cashbook Report or the deposit support. Therefore, we will issue a finding for recovery against Marlene K. Betzler, and her bonding company, jointly and severally, for \$100 of public monies collected but unaccounted for, in favor of the Village of Canal Winchester's Mayor's Court.

Findings for Recovery Repaid Under Audit

A finding for recovery was proposed against the Canal Winchester Labor Day Festival for \$370 for the following reasons:

1. A defendant, upon request, provided a copy of the money order, totaling \$130, he used to pay his fines due to the Court. We determined the money order was not recorded on the Daily Cashbook Report or in the corresponding deposit. We contacted the vendor who sold the money order to the defendant and obtained a copy of the negotiated money order. The negotiated money order was deposited into the Canal Winchester Labor Day Festival Committee account which Ms. Betzler served as the treasurer.
2. A blue copy of the ticket, identifying a payment of \$240, was located in the hard copy case file. The negotiated money order was deposited into the Canal Winchester Labor Day Committee's bank account by Ms. Betzler, who served as Treasurer of the Committee.

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On September 17, 2002, the Canal Winchester Labor Day Festival Committee remitted \$370 to the Village of Canal Winchester's Mayor's Court for the monies incorrectly deposited into its bank account. We consider this a finding for recovery repaid under audit.

Finding for Recovery

Ohio Traffic Rule 13(A) states "each court in Ohio is to establish a traffic violations bureau. ... The Court shall appoint its clerk as violations clerk. Fines and costs shall be paid to, receipted by and accounted for by the violations clerk." We are issuing a finding for recovery against the former Mayor's Court Clerk, Marlene K. Betzler, for public monies collected but unaccounted for, for the following reasons:

1. Marlene K. Betzler issued manual receipts to defendants paying their fines⁹. We identified the following instances where Ms. Betzler collected monies, totaling \$815; however, the monies were not accounted for by the Village in the Mayor's Court's Daily Cashbook Reports or deposits:
 - Two manual receipts were issued to defendants paying fines for \$100. At a different time, Ms. Betzler reissued the yellow carbon receipt to a different defendant for a different amount. We could not trace the monies received from the first defendant to the Daily Cashbook Report or corresponding deposit. Therefore, \$200 was collected but unaccounted for.
 - Two \$100 manual receipts were issued to defendants paying their fines. We were unable to trace the monies received totaling \$200 by the Court to the Daily Cashbook Reports and corresponding deposits. Therefore, \$200 was collected but unaccounted for.
 - A receipt for \$225 was issued to a defendant paying his/her fine. The yellow carbon copy of the receipt indicated that the former Mayor's Court Clerk, at a different time, changed the amount to \$120 and drew a line through the original defendant's name on the carbon copy receipt. We were able to verify the \$120 was recorded on the Daily Cashbook Reports and deposited. However, both the Daily Cashbook Report and deposit indicated the \$120 receipt belonged to a defendant other than the one originally listed on the receipt. We were unable to verify the \$225 remitted by the original defendant was recorded on either the Daily Cashbook Report or the corresponding deposits. Therefore, \$225 was collected but unaccounted for.
 - A receipt of \$170 was issued to a defendant paying his/her fine. The yellow carbon copy of the receipt indicated the former Mayor's Court Clerk, at a different time, changed the amount collected to \$80. We were able to trace the \$80 to the Daily Cashbook Report and corresponding deposit. Therefore, \$90 was collected but unaccounted for.
 - A \$100 manual receipt was issued to a defendant paying his/her fine. The receipt identified a defendant's name and a ticket number belonging to another defendant. The computerized case file did not reflect any payments for the defendant whose ticket number was listed on the receipt. In addition, we could not trace the \$100 manual receipt to the Daily Cashbook Report or corresponding deposit. Therefore, \$100 was collected but unaccounted for.
2. Marlene K. Betzler, former Mayor's Court Clerk, provided a receipt to the defendants paying their fines. Ms. Betzler was able to assign the receipt numbers when entering the receipt into the Court computer system. At the end of the day, Ms. Betzler would print the Daily Cashbook Report of moneys being deposited. The Court's computer system allowed Ms. Betzler to choose the receipt numbers to appear on the Daily Cashbook Report.

⁹When the Mayor's Court Clerk issued a manual receipt to a defendant remitting payment at the window, the white copy of the manual receipt was provided to the defendant. The yellow copy of the receipt was required to be maintained in the receipt book.

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We identified the following instances where the receipt numbers were not on the Daily Cashbook Reports and the monies were not included in the corresponding deposits and thus considered monies collected but unaccounted for:

- 16 receipts, totaling \$1,620, were dated during the audit period, with receipt numbers less than 8790.¹⁰
 - One receipt issued on August 30, 2001, for \$100 was issued out of sequence. If it had been used in sequence, the receipt would have been dated October 2001.
 - Receipt #11056 dated November 17, 2000, for \$190 was issued out of sequence. The last receipt of the audit period was receipt number #9872.
3. Marlene K. Betzler, former Mayor's Court Clerk, provided a receipt to the defendants paying their fines. The Court computer system allowed the same receipt number to be issued more than once. Receipt #9146 for \$145 was issued for payment on ticket #13691 and was listed on the Daily Cashbook Report/corresponding deposit. The front of the ticket jacket for ticket #13691 indicated that receipt #9146 for \$105 was collected. Per the fee schedule, the amount due for ticket #13691 was \$105.
- Receipt #9146 was reissued for a payment of \$145 for ticket #13696 per the cash receipts journal. Only \$40 was listed on the Daily Cashbook Report/corresponding deposit for ticket # 13696. There is no record that \$105 collected for ticket #13696 was recorded in the cashbook or deposited into the Village's account. Therefore, \$105 was collected but unaccounted for.
4. Marlene K. Betzler, former Mayor's Court Clerk, provided a receipt to the defendants paying their fines. If a manual receipt was issued, the clerk entered the manual receipt into the Court computer system.¹¹ There were 4 manual receipts, totaling \$420, issued by Ms. Betzler for payments received which were not entered into the Court computer system. These payments were not recorded in the Daily Cashbook Report, were not included in the day's deposit and the defendant's case file did not reflect a payment. Therefore, \$420 was collected but unaccounted for.
5. The defendant's copy of the traffic ticket states a defendant can waive a court appearance by mailing the blue copy of the ticket and the appropriate fine to the Court. We located a blue copy of a ticket in a different case file with fines due of \$70. The \$70 was not posted to the computerized case file or the Daily Cashbook Report, or deposited in the Court's account by Ms. Betzler. Therefore, \$70 was collected but unaccounted for.
6. The Court's unwritten policy was to only release a forfeited license when the defendant has paid the fine in full. One hard copy case file reviewed included a Court-issued release of forfeiture letter signed by Ms. Betzler. However, there was no record of a payment of \$125, per the fine schedule, on the Daily Cashbook Report, the corresponding deposit or the computerized case file.
7. In the event of the absence of Marlene K. Betzler, former Mayor's Court Clerk, an employee of the Village provided a receipt to the defendants paying their fines. When she returned, Ms. Betzler entered the manual receipt into the Court computer system. There were two manual receipts, totaling \$180, issued by the Administrative Assistant to the Planning & Zoning Director and the Receptionist/Water Billing Clerk for payments received which were not entered into the Court computer system.

¹⁰ Receipt #8790 was the initial receipt number at the beginning of the audit period. Therefore, receipts less than 8790 were considered out of sequence. We noted the following receipt numbers were commonly used: 1006, 1008, and 1204. In addition, the computer system allowed the Clerk to utilize the receipt number more than once.

¹¹ The Court computer system allowed the former Mayor's Court Clerk to manually enter the receipt number.

Supplement to the Special Audit Report

Both Mr. Webb and Ms. Armentrout stated, in written statements, that when each collected a fine payment, a manual receipt would be issued and the money collected was placed in either the bank bag located in the former Mayor's Court Clerk's desk drawer or the money was placed inside the ticket jacket which was then placed in the former Mayor's Court Clerk's desk drawer. Neither of the individuals deposited the money and instead provided the money to Ms. Betzler for further processing. These payments, totaling \$180, were not recorded in the Daily Cashbook Report, were not included in the day's deposit and the defendant's case file did not reflect a payment. Therefore, \$180 was collected but unaccounted for.

8. Marlene K. Betzler, former Mayor's Court Clerk, provided receipts to defendants upon payment of a Court fine and/or fee as a result of a traffic violation. Manual Receipt #9251 for \$100 was issued for ticket #13882; however, the same receipt number was issued by the computer for \$55 for ticket #12898. The \$55 payment for #12898 was deposited into the Court's bank account, but there is no record of the \$100 payment for ticket #9251. The collection of \$100 per the Manual Receipt was not recorded in the Cashbook or deposited into the Court's bank account. Therefore, \$100 was collected but unaccounted for.
9. A defendant, upon request, provided a copy of the money order totaling \$100 which he used to pay his fines due to the Court. We determined the money order was not recorded on the Daily Cashbook Report or in the corresponding deposit. We contacted the vendor who sold the money order to the defendant and obtained a copy of the negotiated money order. The negotiated money order was tendered as a payment on Richard Betzler's credit card account at the Avenue. Mr. Betzler is Ms. Betzler's husband.

In accordance with the foregoing facts pursuant to Ohio Revised Code § 117.28, we hereby issue a finding for recovery against Marlene Kay Betzler, former Mayor's Court Clerk, and State Automobile Insurance Company, her bonding company, for \$3,825, jointly and severally, for public monies collected but unaccounted for, and in favor of the Village of Canal Winchester Mayor's Court.

Management Comments

Receipt Fields

Each time the former Mayor's Court Clerk posted a payment into the Court computer system, the Clerk entered into the receipt portion of the system. The Court computer system required the Clerk to enter the receipt number and receipt date. We identified 37 instances where the receipts were in numerical order; however, the receipts were not in date order. We also noted instances where the same receipt number was entered into the computer two or three times as the result of voided receipts. Entering the incorrect date or altering the receipt number on the Court computer system could result in potential fraud by allowing an individual to borrow the money and enter it into the Court computer system at a later date or replacing a receipt number with another offender's payment in the same amount.

We recommend the Court work with its software vendor to adjust the program to prevent the former Mayor's Court Clerk from entering the receipt date or receipt number into the Court computer system. The Court computer system should generate both the receipt number and receipt date for the Clerk, and the Clerk should record the computerized receipt number on any manual receipts issued.

Manual Receipts

In review of the available manual receipts, it was noted some of the areas on the receipts were not completed or two names and payment amounts were recorded on the same receipt. The individual receipt should be completed to include the date, the person paying the money, the amount paid, the ticket number, and signed by the individual collecting the money.

We also noted the manual receipts were not issued in sequential order. Not completing the entire receipt in sequential order results in difficulty in determining when the monies were received, what case the monies should be applied to, and whether all monies received were recorded in the Court computer system.

Supplement to the Special Audit Report

We recommend the individual collecting fine payments complete the entire receipt including the date, who the money was received from, amount, and case number. Pre-numbered receipts should be issued in sequential order. The individual collecting the money should sign the receipt.

Receipts

During our review of the Cash Receipt Journal, we noted receipts with no amount and no receipt number were created when the Magistrate's actions were recorded in the computerized case files. As a result, a receipt was created, when in fact, no monies had been received.

We recommend the Village work with their software vendor to redesign the program to prevent the creation of a receipt when recording Magistrate actions.

Village Employees Collecting Monies

When the former Mayor's Court Clerk was absent, monies were collected by other Village employees. No written or formal procedures existed whereby monies collected by the Village employees were provided to the former Mayor's Court Clerk for processing and depositing. By not having formal procedures, the Court's susceptibility to theft is increased.

We recommend the Village establish written procedures for processing Court receipts in absence of the Court Clerk. The procedures should address the issuance of receipts and transfer of monies collected to the Mayor's Court Clerk and the documentation to be maintained to ensure all receipts are posted to the Court's computer system and deposited into the Court's bank account.

Ticket Disposition

We identified 265 computerized case files which did not include information on the judge, finding, finding dates, fines and costs fields. By not entering the disposition of the tickets, the Court was not able to accurately account for all tickets filed with the Court or accurately determine monies due to the Court.

We recommend the Court research the disposition of the tickets as recorded on the docket and hard copy case files and record the disposition information in the Court computer system. If necessary, the Court should present tickets to the Magistrate, where the disposition cannot be determined, for review and adjudication.

Transfer of Cases

We identified instances where the Village of Canal Winchester's Mayor's Court transferred tickets issued by the Franklin County Sheriff's Office to the Franklin County Municipal Court, Franklin County Common Pleas Court or the Franklin County Juvenile Court. Thirteen cases were transferred to either the Municipal Court or the Common Pleas Court. The Court computer system did not reflect the transfer of the tickets to another Court. By not entering the transfer information into the Court computer system, the Court did not accurately account for the disposition of the cases.

We recommend the Mayor's Court Clerk record case transfers to another Court in the Court computer system for all transferred cases.

Supplement to the Special Audit Report

Additional Comments

Although not directly the result of the issues and procedures addressed during the Special Audit, we noted instances of noncompliance and internal control weaknesses that we wanted to bring to the Village's attention.

Noncompliance Citations

Maintenance of Court Records

Ohio Rev. Code Section 1905.01(F) states, "In keeping a docket and files, the mayor, and a mayor's court magistrate appointed under section 1905.05 of the Revised Code, shall be governed by the laws pertaining to county courts." Ohio Rev. Code § 1907.20 (B) regarding general provisions of county court administration states, in pertinent part, "The clerk shall file and safely keep all journals, records, books and papers belonging or appertaining to the court, record its proceedings, perform all other duties that the judges of the court may prescribe, and keep a book showing all receipts and disbursements, which shall be open for public inspection at all times."

We noted the following instances of noncompliance:

- The Daily Cashbook Report did not reflect all receipts issued for that day.
- The Court did not maintain the duplicate copy of the manual receipts during the audit period.
- The Court did not maintain original copies of the Magistrate's dockets or did not maintain copies of 7 of the dockets.
- The Court did not maintain the original copies of the duplicate computerized receipts.
- The Court did not maintain copies of the original voided receipts.
- The Court did not maintain the blue copy of the ticket submitted by the defendant.

In addition, because Mayor's Courts are also "violations bureaus" pursuant to Ohio State Traffic Rule 13(A), Mayor's Courts are also subject to statutory provisions covering traffic "violations bureaus." Ohio State Traffic Rule 13(E) Records states, "All cases processed in the violations bureau shall be numbered and recorded for identification and statistical purposes. In any statistical reports required by law, the number of cases disposed of by the violations bureau shall be listed separately from those disposed of in open court." We noted several instances where the Court's records were not properly numbered and recorded.

We recommend the Court maintain its records as required by the laws given above. This will ensure the Court can efficiently and properly function as well as provide the public with an opportunity to accurately view the Court's records at any time.

Tickets Submitted to the Ohio Bureau of Motor Vehicles

Ohio Rev. Code §4507.021(B) provides "If a person is convicted of or forfeits bail in relation to a violation of any section listed in division (A) of this section or a violation of any other law or ordinance regulating the operation of vehicles, street cars, and trackless trolleys on highways or streets, the county court judge, mayor of a mayor's court or clerk, within ten days after the conviction or bail forfeiture, shall prepare and immediately forward to the bureau of motor vehicles an abstract certified by the preparer to be true and correct, of the court record covering the case in which the person was convicted or forfeited bail."

During a review of tickets issued by the Franklin County Sheriff's Office, it was determined there were 2 tickets which had not been entered into the Court's computer system. In addition, the former Mayor's Court Clerk dismissed violations without the authorization of the Magistrate which should have been submitted to the Bureau of Motor Vehicles. The Court utilized the Court's computer system to generate the reports to be sent to the Ohio Bureau of Motor Vehicles. As such, the reports submitted were not complete.

We recommend the Court implement procedures to ensure all tickets received are entered into the Court computer system. This will allow the Court to ensure the report sent to the Ohio Bureau of Motor Vehicles includes the tickets that are required to be reported.

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Management Comments

Monitoring of Court Activities

There was very little monitoring of the Court's activities by the Village Administration. Without proper monitoring and oversight of the Court's activities, the Village increases the risk that irregularities such as those included in this Special Audit report could occur and not be detected by the Village. This should include periodic review of the Court receipt and disbursement documents to ensure that transactions are completely and accurately recorded in the Court's records and that records are appropriately updated in a timely manner.

We recommend that the Mayor take a more active role in monitoring the Court's activities. The Court should also review the Mayor's Court Education and Procedure Rules for additional guidance on the duties of the Mayor and the Mayor's Court Clerk.

Operational Policies and Procedures

The Court does not have a procedures manual detailing acceptable practices for the administration of the account operated by the Court and the responsibilities of the Court personnel. The lack of uniform procedures may have contributed to the errors in processing Court transactions.

The Court should develop written standardized procedures for the administration of the collection of monies, payment plans, disbursements, and the bank accounts used by the Court.

Segregation of Duties

The Court should have policies and procedures establishing the proper segregation of duties over collecting, posting, disbursing and reconciling processes. During the audit period, the former Mayor's Court Clerk performed all of these functions with no documented review being performed by the Village Administration to verify the accuracy of the Court's records.

Lack of proper segregation of duties over the receipting, disbursing and reconciling processes may result in the loss of accountability over receipts or fraud. For example, we identified receipts entered into the Court computer system which were not deposited into the Court's bank account because the former Mayor's Court Clerk could control the receipts included in the cashbook so it agreed to the deposit.

While we realize this is a small operation, the Village Administration should implement policies and procedures to establish segregation of duties where possible and implement detailed monitoring over the collecting, posting, disbursing, and reconciling processes.

Review of Reconciliations

The Court maintains a separate bank account for the Mayor's Court which is reconciled on a periodic basis by the former Mayor's Court Clerk who also performs the depositing and disbursement duties. Currently, there is no evidence that the Mayor reviews the reconciliation to ensure the account is reconciled and that there are no items other than daily court activity flowing through the account. By reviewing the reconciliations, the Mayor can reduce the potential for fraud or irregularities occurring in the bank account.

We recommend the Mayor receive a copy of the monthly bank reconciliation and review it for any unusual items.

Bank Reconciliations

The former Mayor's Court Clerk performed bank account reconciliations on a periodic basis. For the period of March 2001 through September 2001, the bank statements received had not been opened by the former Mayor's Court Clerk. The bank account had not been reconciled for this time period either. By not reconciling the cashbook to the bank balance, the Court may not identify posting errors or other irregularities in a timely manner.

We recommend the Court perform monthly reconciliations of the Court's cashbook to the bank balance to ensure the amounts collected and expended per the cashbook agrees to those that were posted to the bank account for each of the accounts maintained by the Court.

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Payment Plans

In a review of the computerized case files and the hard copy case files, we identified numerous offenders were making payments on the fines due to the Court over an extended period of time. There is no evidence of a written payment agreement other than the notations in the hard copy case file indicating payments being made. The hard copy case file did not provide evidence of Court approval nor did it provide the terms of the payment plan. The payment plan should be reviewed and approved by the Court to ensure all monies due to the Court will be collected within a reasonable amount of time.

We recommend each time a payment plan is created, it be presented to the Magistrate or Mayor for their approval to ensure monies owed to the Court will be collected in a reasonable amount of time. The Mayor or Magistrate should indicate their approval on the actual payment plan. Clear guidelines for payment plans should be established, approved by Council, and should address the type of documentation required for the payment plan and procedures to be followed for the collection of payments.

Monitoring of Payment Plans

A review of case files identified instances where offenders on a payment plan had not remitted payments since June 2001. As of March 2002, no payment had been made by these offenders. Those individuals placed on payment plans should have their plans monitored to ensure the individual is complying with the plan as agreed to by the defendant. If the individual is not complying with the plan, action should be taken to ensure the Court collects the money due to them. By not monitoring the payment plans, the Court may not collect all of the money due to them in a timely manner which is also due to other governmental agencies such as the Ohio Bureau of Motor Vehicles, State of Ohio and the Village of Canal Winchester. Currently, the Village does not know how much in fines is still due to them from offenders on payment plans.

We recommend an individual independent of the official entering into the payment plan periodically review the payment plan case files to ensure the defendants are making payments in accordance with the plan. This individual should recommend other actions to be taken if an offender is not complying with the plan to ensure all monies due are collected by the Court. The Court should also consider steps to ensure monies are collected by the Court through the use of arrest warrants, lawsuits, and/or collection agencies.

Arrest Warrants

In some of the case files reviewed, it was noted there were bench warrants issued by the Clerk for nonpayment of fines. We were unable to determine whether the bench warrants were submitted to a law enforcement agency to be entered into the Law Enforcement Automated Data System (LEADS). Not performing a reconciliation of the warrants issued to those submitted to LEADS may result in fines not being collected in a timely manner.

We recommend an individual independent of the creation of the bench warrant reconcile the warrants issued to those given to the law enforcement agency to ensure the warrants are entered into LEADS.

Dismissal of Cases

We identified instances in the computerized case file where the former Mayor's Court Clerk recorded the case was dismissed; however, the Magistrate's docket recorded a verdict of not guilty. All actions of the Court should be recorded in the Docket and the case file to ensure the Court records accurately reflect decisions of the Court.

We recommend all actions of the Court be recorded on the Docket, the hard copy of the case file and the computerized copy of the docket.

License Forfeitures

The Court currently has a group of tickets where the Court is unsure whether payment was tendered by the defendants. These tickets were maintained as part of the license forfeiture drawer maintained by the former Mayor's Court Clerk. The Court should attempt to contact these defendants and obtain supporting documentation verifying whether or not a payment was tendered by the defendant. By forfeiting the licenses of defendants who have previously remitted payment, the Court could be subject to litigation by those defendants.

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We recommend the Court evaluate the responses received from the letters sent by the current Mayor's Court Clerk. The responses should then be presented to the Magistrate for his decision as to whether the ticket should be dismissed and the license returned to the defendant.

Magistrate Decisions

In the following instances, the Magistrate's actions on the docket were not recorded correctly in the computerized docket:

- 6 instances occurred where the former Mayor's Court Clerk did not record the actions of the Magistrate in the computerized case file.
- 5 instances occurred where the former Mayor's Court Clerk did not record the \$40 costs as suspended.
- 34 instances occurred where the former Mayor's Court Clerk entered the verdict incorrectly.
- 8 instances occurred where the former Mayor's Court Clerk entered the fines and costs incorrectly.
- 68 instances in which the judge, finding and finding date fields were blank.

All actions of the Court (i.e., docket) should be recorded correctly on the computerized case file to ensure that Court records accurately reflect decisions of the Court.

We recommend all actions of the Court be recorded on the docket, the hard copy of the case file, and the computerized case file. In addition, for those errors identified during the audit, the current Mayor's Court Clerk should adjust or complete the case files to reflect the actions of the Court.

Court Computer System

The former Mayor's Court Clerk utilized the Court computer system to generate computerized receipts. Daily Cashbook Reports, Cash Receipt Journals, and postings to the computerized case file were created from the computerized receipt information. We identified 5 receipts on the Cash Receipts Journal which were not listed on the Daily Cashbook Reports. We also noted 2 instances where the receipt number in the computerized case file did not agree to the receipt number on the Daily Cashbook Reports. We also identified one instance where a receipt number was recorded in the Daily Cashbook Report; however, it was not recorded on the Cash Receipt Journal. Inconsistencies in the computer could result in the Court taking actions to issue arrest warrants or forfeit licenses even though the defendant has paid his/her fine.

We recommend the Village consult with their software vendor to redesign the program to prevent these types of inconsistencies between interfaced computer records such as the computerized case files, the Cash Receipt Journal and the Daily Cashbook Reports.

Moving Violations Recorded in the Computerized Case Files

During our review of the computerized case files, we identified 6 instances where a moving violation was recorded in the computer that did not list the applicable Ohio Revised Code section. After reviewing the hard copy of the ticket, we were able to determine that an additional moving violation had been recorded in the computer that was not listed on the ticket. As a result, monies could potentially be recorded under the wrong moving violation.

We recommend the Court delete the moving violations listed in the computer that are not listed on the tickets.

Old vs. New Court Computer System

The Court purchased a Court computer system upgrade in 2001. We identified 16 instances where a ticket was recorded in the old DOS Court computer system and also in the new windows version of the Court computer system. The Court has increased the potential for errors occurring in the processing of the ticket by including the ticket in both Court computer systems.

We recommend the Court delete the tickets from the old Court computer system which were also included in the new Court computer system to avoid duplication and reduce the likelihood of potential errors.



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VILLAGE OF CANAL WINCHESTER

FRANKLIN 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
OCTOBER 1, 2002**