



**BELMONT COUNTY COURT
EASTERN DIVISION
BELMONT COUNTY**

REPORT ON AGREED-UPON PROCEDURES

**FOR THE PERIOD
JANUARY 1, 1998 THROUGH AUGUST 31, 2000**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BELMONT COUNTY COURT
EASTERN DIVISION
BELMONT COUNTY**

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**BELMONT COUNTY COURT
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BELMONT COUNTY**

**SCHEDULE OF ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
AS OF AUGUST 31, 2000**

Elected Officials:

	Term Expiration:	Bonding Company
County Commissioners		
Anita Wiley	1/1/2001	(A)
Chuck Probst	1/1/2003	(B)
Michael Bianconi	1/1/2001	(C)
County Prosecutor		
Frank Pierce	1/2/2001	(D)
County Court Judge		
D. William Davis	12/31/2004	(B)

Administrative Personnel:

Interim County Court Clerk

Charlene Baker	Indefinite	(B)
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Deputy Court Clerks

Elizabeth Russell	Indefinite	(B)
Ruth Defelice	Indefinite	(B)
Karen Clark	Indefinite	(B)
Melody Ciszewski	Indefinite	(B)

- (A) State Farm Fire and Casualty Insurance Company
- (B) Ohio Farmers Insurance Company
- (C) Western Surety Company
- (D) Auto Owners Mutual Insurance Company

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STATE OF OHIO
OFFICE OF THE AUDITOR

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of County Commissioners
Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

Pursuant to your request dated September 6, 2000, we have conducted an Agreed-Upon Procedures Engagement and performed the procedures summarized below, and detailed in our "Agreed-Upon Procedures Report", which were agreed to by you, for the period January 1, 1998 through August 31, 2000 ("the Period"). These procedures were performed solely to determine whether the procedures at the Belmont County Court - Eastern Division ("the Court") involving receipt and disbursement transactions were in place, Court records reconciled to bank balances, open items were actually outstanding, a fine and cost schedule was in place, tickets were recorded in the docket, comparison of fines and costs charged versus the statutory rates, and bonds were accurately accounted for, and our report is not to be used for any other purpose. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed are summarized as follows:

1. We reviewed operational policies and procedures which were exercised by the Court office, to determine procedures followed when receiving, posting, and depositing daily receipts. We also determined the procedures followed in regards to the disbursement of monthly collections of criminal and traffic fines and the distribution of moneys collected based on judgements by the Court on civil cases. Furthermore, we determined whether internal control procedures were in place and operating effectively.
2. We performed a proof of cash for all months of the period, by reconciling deposits and other credits from the bank statement to the Court's cash receipt records. We reconciled payments and other debits from the bank statement to the Court's cash disbursements records. Old and/or unusual reconciling items were also investigated.
3. We obtained the Court's open items listing and agreed selected open items to the Court docket and determined if the items were actually outstanding.
4. We obtained the schedule of fines and costs that was in place during the Period.

5. We obtained the computer master list of the breakdown of fines and costs for each type of violation and judgmentally selected distributions and determined if the breakdowns were in accordance with state and local laws.
6. We obtained, from the Ohio State Highway Patrol, a listing of all State Highway Patrol tickets issued in the jurisdiction of the Court for the Period. We judgmentally selected traffic violations from the Ohio State Highway Patrol listing and determined whether the citation was posted to the Court's docket book and whether the fines and costs were collected in accordance with the schedule of fines and costs.
7. We judgmentally selected daily receipts throughout the Period to determine if they were consecutively numbered and determined if the daily receipts (listed by cash and checks/money orders) were deposited in the bank in a timely manner.
8. We judgmentally selected cases from the cashbook throughout the Period and agreed the information and amounts posted in the cashbook to the information in the case file and Court docket. For the cases selected, we compared the fines and costs assessed to the legislatively approved schedule of fines and costs. We also determined if the fines and costs were distributed in accordance with certain provisions of the Ohio Revised Code and local laws and regulations.
9. We judgmentally selected bonds from the cashbook throughout the Period and agreed the information and amount of the bonds posted in the cashbook to the information and amounts posted in the Court docket and case file as entered by the judge. Bonds selected which were forfeited were tested for the distribution of the fine and costs in accordance with state and/or local laws.
10. We judgmentally selected various months throughout the period to determine if collections of criminal and traffic fines were distributed to various agencies, as required. We also determined if collections for the civil cases were distributed in accordance with judgements rendered by the Court. We determined if amounts of the checks agreed to allocated amounts as posted in the ledgers. We also determined that fines and costs collected during the month were remitted in a timely manner. Checks were reviewed for authorized signatories and proper endorsement. Check number, payee and amount were agreed to cashbook postings.
11. We determined if the Court was in compliance with applicable sections of the Ohio Revised Code as documented in the Ohio Compliance Supplement.
12. On March 9, 2001, we held an exit conference with the following elected officials and administrative personnel:

Ryan E. Olexo, County Commissioner
Charles R. Probst Jr., County Commissioner
D. Williams Davis, County Court Judge
D Charlene Baker, County Court Clerk
Elizabeth Russell, Deputy County Court Clerk
Darlene Pempek, Clerk of County Commissioners

The attendees were given an opportunity to respond to this Agreed-Upon Procedures Report. The attendees have chosen not to respond to this Agreed-Upon Procedures Report.

Our detailed procedures and the results of applying these procedures are contained in the attached "Agreed-Upon Procedures Report". Because these procedures do not constitute an examination of the financial statements conducted in accordance with generally accepted auditing standards, we do not express an opinion or limited assurance on any of the items referred to above. Also, we express no opinion on the Court's internal control system over financial reporting or any part thereof. Had we performed additional procedures, or had we conducted an examination of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you.

This report relates only to transactions relating to the above procedures, and does not extend to any financial statements of the County, taken as a whole.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Jim Petro
Auditor of State

February 12, 2001

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**BELMONT COUNTY COURT
EASTERN DIVISION
BELMONT COUNTY**

AGREED-UPON PROCEDURES REPORT

BACKGROUND INFORMATION

The Belmont County Commissioners requested a "agreed upon procedures" engagement of the Belmont County Court - Eastern Division ("the Court") for the period January 1, 1998 through August 31, 2000 ("the Period). The Court had recently undergone a reorganization with the County Court Clerk being demoted and an interim County Court Clerk being appointed. The "agreed upon procedures" engagement was to ensure a smooth transition from one administration to another.

The request was discussed with the Board of County Commissioners and the Clerk of the Commissioners. Both indicated the reason for the request was simply to ensure a smooth transition between the Clerks and ensure the new Clerk started with a "clean slate". They also stated that no fraud or misappropriation was suspected concerning the demoted Clerk. However, there were concerns regarding poor record keeping. The Commissioners also requested an audit of the Court's operations and transactions for the period. They wanted to have the audit conducted promptly rather than having it addressed as part of the regular audit since the interim Clerk was soon to be appointed the Clerk.

Through discussion with the interim Clerk, concerns were raised as to the Court activity posted incorrectly to the case files, costs being dismissed without Court orders and the open items list containing negative balances. Also concerns were raised as to the Court not being able to reconcile to the bank account balance from the time the Court implemented a new computer system and software package in November, 1999.

APPLICABLE AUTHORITY

Ohio Rev. Code Section 2335.25 provides that each Clerk of a Court of record shall enter in a journal or cashbook, provided at the expense of the county, an accurate account of all moneys collected or received in his/her official capacity, on the days of the receipt, and in the order of time so received, with a minute of the date and suit, or other matter, on account of which the money was received. The cashbook shall be a public record of the office, and shall, on the expiration of the term of each such officer, be delivered to his/her successor in office. The Clerk shall be the receiver of all moneys payable into his/her office, whether collected by public officers of Court or tendered by other persons, and, on request, shall pay the moneys to the persons entitled to receive them. The Clerk of the county Court may deposit moneys payable into his/her office in a bank or a building and loan association, as defined in section 1151.01 of the Revised Code, subject to section 131.11 of the Revised Code.

Ohio Rev. Code Section 1907.20 (B) provides the Clerk of a county Court shall file and safely keep all journals, records, books, and papers belonging or pertaining to the Court, record its proceedings, perform all other duties that the judge of the Court may prescribe, and keep a book showing all receipts and disbursements which shall be open for public inspection at all times.

Ohio Rev. Code Section 1907.20 (C) provides the Clerk of a county Court shall receive and collect all costs, fees, fines, penalties, bail, and other moneys payable to the office or any officer of the Court and issue receipts therefor, and shall each month disburse the costs, fees, fines, penalties, bail, and other moneys to the proper persons or officers and take receipts therefor.

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AGREED-UPON PROCEDURES REPORT

APPLICABLE AUTHORITY (Continued)

Ohio Rev. Code Section 1907.20 (D) states all moneys paid into a county Court shall be noted on the record of the case in which they are paid and shall be deposited in a state or national bank selected by the Clerk. On the first Monday in January of each year, the Clerk shall make a list of the titles of all cases in the county Court that were finally determined more than one year past in which there remains unclaimed in the possession of the Clerk any funds, or any part of a deposit for security of costs not consumed by the costs in the case. The Clerk shall give notice of the moneys to the parties entitled to them or to their attorneys of record. All the moneys remaining unclaimed on the first day of April of each year shall be paid by the Clerk to the county treasurer. Any part of the moneys shall be paid by the county treasurer at any time to the person having the right to them, upon proper certification of the Clerk.

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

ISSUE NO. 1

We reviewed operational policies and procedures which were exercised by the Court office, to determine procedures followed when receiving, posting, and depositing daily receipts. We also determined procedures followed in regards to the disbursement of monthly collections of criminal and traffic fines and the distribution of moneys collected based on judgements by the Court on civil cases. Furthermore, we determined whether internal control procedures were in place and operating effectively.

RESULTS

We noted that transactions (receipts and disbursements) were numbered consecutively on the old computer system, receipts were numbered consecutively on the new computer system and receipts indicated the employee's initials receiving the fines and costs. Duplicate receipt information agreed to the daily summary report, the daily summary report agreed to the duplicate deposit slip, and the duplicate deposit slip agreed to the bank deposit slip or bank statement.

We noted that transactions (receipts and disbursements) were numbered consecutively on the old computer system, disbursements were numbered consecutively on the new computer system. Check information agreed to the month-end report by account and agreed to the copy of the check and the Clerk's calculation worksheet. Monthly bank reconciliations were performed by the Clerk.

Based on above information, two monitoring control weaknesses will be issued. One concerning a lack of segregation of duties in the collecting, posting and depositing procedures and collections not being adequately safeguarded prior to depositing in the bank. The second, concerning the Court not establishing internal control procedures over record keeping to compensate for the lack of segregation of duties.

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ISSUE NO. 2

We performed a proof of cash for all months of the Period by reconciling deposits and other credits from the bank statement to the Court's cash receipt records. We reconciled payments and other debits from the bank statement to the Court's cash disbursements records. Old and/or unusual reconciling items were also investigated.

RESULTS

The 1998 proof of cash for the civil/small claims division disclosed two checks during March which had cleared the bank and were not posted to Court records until a later date. In April 1998, the Court combined two of their computer accounts. However, the balance of account #211 was not included on the Court's computer system until the following month. Several checks included on the reconciliation had been outstanding for greater than one year.

The 1998 proof of cash for the traffic/criminal division disclosed several checks on the reconciliation which had been outstanding for greater than one year.

The 1999 proof of cash for the civil/small claims division disclosed the bank account was closed by transferring the remaining bank account balance to the traffic/criminal division bank account. Again, several checks included on the reconciliation had been outstanding for greater than one year.

The 1999 proof of cash for the traffic/criminal division disclosed the transfer from the civil/small claims division and that several checks on the reconciliation had been outstanding for greater than one year.

The 2000 proof of cash for the traffic/criminal division disclosed an expenditure was posted to the books in March and dated in April, an expenditure was posted to the books in May and dated in June, and an expenditure was posted and voided in April and included on the April bank reconciliation. Several checks on the reconciliation had been outstanding for greater than one year.

Based on the Court having checks included on the reconciliations which had been outstanding for greater than one year and the Court not paying them into the County's Unclaimed Moneys Fund, a citation will be issued for noncompliance of Ohio Rev. Code Section 1907.20 (D).

ISSUE NO. 3

We obtained the Court's open items listing as of June 30, 2000, December 31, 1999, and December 31, 1998, and selected all open items over \$150 to test. We agreed the open items to the Court docket and determined if the items were actually outstanding.

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AGREED-UPON PROCEDURES REPORT

RESULTS

The open items at December 31, 1998, which were tested, agreed to the Court docket indicating moneys were collected for the fines and costs. However, since there had been no decisions rendered by the Judge for the applicable cases, the collections had not been distributed.

The open items at December 31, 1999, which were tested, agreed to the Court docket indicating moneys were collected for the fines and costs. However, since there had been no decisions rendered by the Judge for the applicable cases, the collections had not been distributed.

The open items listed at June 30, 2000, which were tested, agreed to the Court docket indicating moneys were collected for the fines and costs. However, since there had been no decisions rendered by the Judge for the applicable cases, the collections had not been distributed. There were four cases on this open items list with negative balances, indicating moneys from other cases were distributed and erroneously applied to the wrong cases. There was also a case for which the prior Clerk had deducted costs from garnishment receipts therefore the pay-outs were not equal to the amount received from Court ordered garnishments.

The open items at December 1, 2000, were scanned to determine if there were any negative balances. Two of the cases with negative balances as listed at June 30, 2000, had been corrected and two cases still showed negative balances.

A recommendation will be issued based on the Court applying disbursements to the wrong cases causing the open items list to contain cases with negative balances.

ISSUE NO. 4

We obtained the schedule of fines and costs that was in place during the Period.

RESULTS

The Court's fine and costs schedule was approved by the Judge and recorded in the docket.

ISSUE NO. 5

We obtained the computer master list of the breakdown of fines and costs for each type of violation and judgmentally selected 30 distributions and determined if the distributions were in accordance with state and local laws.

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RESULTS

The Clerk of the Court is to distribute fines and costs based on the following items: the Ohio Revised Code violation, number of offenses, and/or arresting officer.

Five of the distributions on the Court's computer master list of the breakdown of fines and costs were not in accordance with the applicable sections of the Ohio Revised Code and or Senate Bills. However, one of the distributions was corrected as of September 1, 2000, two were corrected as of November 3, 2000, and two were corrected as of December 1, 2000. The remainder of the distributions tested had the correct breakdowns on the master list.

A recommendation will be issued for the Interim Clerk to review and update the computer master list of the breakdowns of fines and costs to ensure the list meets statutory requirements pertaining to the distribution of fines and costs.

ISSUE NO. 6

We obtained, from the Ohio State Highway Patrol, a listing of all State Highway Patrol tickets issued in the jurisdiction of the Court for the Period. We judgmentally selected 60 traffic violations from the Ohio State Highway Patrol listing and determined whether the citation was posted to the Court's docket book and whether the fines and costs were collected in accordance with the schedule of fines and costs.

RESULTS

Of the sixty tickets selected, fifty-five ticket numbers entered into the computer system by the auditors were posted to the Court computer docket system, two tickets fell under the jurisdiction of the County's Western Division Court, one ticket fell under the jurisdiction of the County's Northern Division Court and two tickets disclosed no case file within the Court computer docket system. The two tickets not disclosed on the Court's computer docket system were issued for criminal cases and would therefore not be entered into the Court's docket system; they would be under the jurisdiction of the Court of Common Pleas. Fines and costs assessed were in accordance with the approved schedule of fines and costs.

ISSUE NO. 7

We judgmentally selected 11 days' receipts in 1998, 11 days' receipts in 1999 and 8 days' receipts from January 1, 2000 through August 31, 2000 to determine if they were consecutively numbered and determined if the daily receipts (listed by cash and checks/money orders) were deposited in the bank in a timely manner.

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RESULTS

Two of the days' receipts selected for testing, which were issued during 1998, were not consecutively numbered. Further investigation indicated the old computer system used by the Court assigned a transaction number to receipts and disbursements. The transaction numbers were consecutively numbered for these two days. For the days tested in 1999 and 2000, receipts were numbered consecutively.

Receipts were deposited in the Court's depository in a timely manner.

The receipts issued by the Court indicate whether cash or check/money order was received. For the days selected for testing, the total day's receipts cash and checks/money orders agreed to the cash and checks/money orders as listed on the validated deposit tickets with the exception of two days. However, for those two days, the total of the receipts agreed to the validated deposit tickets.

ISSUE NO. 8

We judgmentally selected 60 cases from the cashbook throughout the Period and agreed the information and amounts posted in the cashbook to the information in the case file and docket. For cases selected, we compared fines and costs assessed to the legislatively approved schedule of fines and costs. We also determined if fines and costs were distributed in accordance with certain provisions of the Ohio Revised Code and local laws and regulations.

RESULTS

Of the 60 cases selected for testing, all fines and costs were assessed in compliance with Ohio Revised Code sections and local laws and regulations.

Of the 60 cases selected for testing, one case was dismissed by the Judge, 52 cases had fines and costs distributed in compliance with the Ohio Revised Code section and/or local law provisions and 8 cases had fines and costs not distributed in accordance with the applicable state and/or local law provisions.

A receipt for a traffic case in July, 2000, indicated an \$86 money order was received. However, the receipt also indicated change was given of \$56 and only \$30 was assessed as a fine. The deposit ticket reflected the money order of \$86 was deposited into the bank. The computer system docket showed the \$56 change given and \$30 was distributed. The \$56 change was posted to the wrong case since the book balances reconciled with the bank at the end of the month.

Incorrect distributions were made due to the Court's computer master list of the breakdowns of fines and costs not being correct. The Interim Court Clerk has updated the computer master list of the breakdowns of fines and cost as errors were found.

A recommendation will be issued for the Interim Court Clerk to review and update the computer master list of the breakdowns of the fines and costs to ensure the list meets statutory requirements pertaining to the distribution the fines and costs.

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AGREED-UPON PROCEDURES REPORT

ISSUE NO. 9

We judgmentally selected 10 bonds from the cashbook received throughout the Period and agreed the information and amount of the bonds posted in the cashbook to the information and amounts posted in the docket and case file as entered by the Judge. Bonds selected which were forfeited were tested for distribution of fines and costs in accordance with state and/or local laws.

RESULTS

The information and amounts of the 10 bonds selected from the daily cashbook agreed to the information and amounts of the bonds posted in the Court docket and case file as entered by the Judge.

Bonds were distributed in accordance with the Court order and state and local laws and regulations.

ISSUE NO. 10

We judgmentally selected 6 months(2 months from each year) to determine if collections of criminal and traffic fines were distributed to various agencies, as required. We also determined if collections for civil cases were distributed in accordance with judgments rendered by the Court. We determined if the amounts of the checks agreed to the allocated amounts as posted in the ledgers. We also determined that fines and costs collected during the month were remitted in a timely manner. Checks were reviewed for authorized signatories and proper endorsement. Check number, payee and amount were agreed to cashbook postings.

RESULTS

Of the 6 months selected for testing, the collections of criminal and traffic fines were distributed to various agencies in accordance with state and/or local laws. Collections for civil cases were distributed in accordance with judgments rendered by the Court. The monthly total of fines and costs collected and allocated on the cashbook and ledgers agreed to checks remitted to various agencies. The fines and costs collected for the selected months were remitted in a timely manner to various agencies.

For 5 of the 6 months selected for testing, the checks issued were signed by authorized signatories and were properly endorsed. The checks' dates, numbers, payees, and amounts agreed to data posted to the cashbook. The bank statement and checks for the month of July 1999, were not presented for review. However, the check numbers and amounts which cleared the bank as indicated on a print out received from the bank agreed to the data posted to the cashbook.

Based on the Court not presenting the bank statement and cancelled checks for July 1999, a citation will be issued for noncompliance with Ohio Rev. Code Section 149.351(A).

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ISSUE NO. 11

We determined if the Court was in compliance with applicable sections of the Ohio Revised Code as documented in the Ohio Compliance Supplement.

RESULTS

The Court maintains a cashbook in which all cash collections and distributions are recorded. A monthly bank reconciliation is prepared.

The Court maintains its general index and docket on the Court's computer system. Numerous posting errors were noted during the Period. Several checks included on the Court's bank reconciliations had been outstanding for greater than one year and no evidence was provided that the Court had prepared a list of all cases more than one year past for which money had been collected but remained unclaimed nor did the Clerk transmit notice of the unclaimed funds to the party or to the party's attorney. The Court did not pay this unclaimed money to the County Treasurer to the credit of the County's Unclaimed Moneys Fund, as required.

The Court collected fines and costs for violations in accordance with the schedule of fines and costs as approved and docketed by the Court. Money collected during a month which had been allocated for distribution was remitted to the State Treasurer by the Clerk of the Court before the twentieth day of the following month as required.

The Court collected the additional costs in criminal cases to fund reparations payments and the state general revenue fund and recorded these costs in its cashbook. The Court also remitted these costs to the State Treasurer, as required.

Based on the Court having checks included on the reconciliations which had been outstanding for greater than one year and the Court not paying them into the County's Unclaimed Moneys Fund, a citation will be issued for noncompliance with Ohio Rev. Code Section 1907.20 (D).

NONCOMPLIANCE CITATIONS

1. **Ohio Rev. Code Section 149.351(A)** provides that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adapted by the records commissions provided under Ohio Rev. Code Sections 149.38 to 149.42. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

The Court's July 1999 bank statement and cancelled checks were not presented for review and therefore, the check date, payee, authorized signatory and endorsement could not be determined. A printout obtained from the bank did indicate the date the check cleared the bank and the amount.

We recommend the Court develop internal control procedures to ensure that Court records are maintained in a complete and orderly manner.

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AGREED-UPON PROCEDURES REPORT

NONCOMPLIANCE CITATIONS (Continued)

2. **Ohio Rev. Code Section 1907.20(D)** states on the first Monday of January of each year, the Clerk shall make a list of the titles of all cases in the county Court that were finally determined more than one year past in which there remains unclaimed in the possession of the Clerk any funds, or any part of a deposit for security of costs not consumed by the costs in the case. The Clerk shall give notice of the moneys to the parties entitled to them or to their attorneys of record. All the moneys remaining unclaimed on the first day of April of each year shall be paid by the Clerk to the county treasurer. Any part of the moneys shall be paid by the county treasurer at any time to the person having the right to them, upon proper certification of the Clerk.

The Court had several checks included on its monthly bank reconciliations which had been outstanding for greater than one year. The Court did not list these cases nor give notice of the moneys to the parties entitled to them or to their attorneys of record, therefore, the Court did not pay the unclaimed moneys to the County Treasurer by April 1.

We recommend the Court develop internal control procedures to ensure that outstanding checks and/or cases in which there remains unclaimed moneys more than one year past be listed, the parties entitled to the unclaimed moneys or their attorneys be notified and the remaining moneys be paid into the County Treasurer each year.

MANAGEMENT COMMENTS

Court Depositing Procedures

At the end of each day, the Court Clerk took home collections received after the daily cutoff. At the beginning of the next day, the Court Clerk entered the collections from the manual receipts into the computer and the subsequent collections became part of the current day's collections. The Court Clerk was responsible for depositing collections on a daily basis. As a result, one person had the responsibility of collecting, posting and depositing collections. Also, by not safeguarding collections, monies could become lost or stolen and not be detected in a timely manner.

We recommend that Court officials adopt procedures to segregate the collection, posting and depositing of moneys collected after the daily cutoff. Also, any collections received that will not be deposited until the next day should be kept in a locked drawer or safe or deposited at a bank with a night depository drop box.

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AGREED-UPON PROCEDURES REPORT

MANAGEMENT COMMENTS (Continued)

Monitoring of Court Activities

The Court had very few, if any, internal controls over their fiscal operations. Record keeping was inaccurate and inconsistent, and there appeared to be little progress on the part of either the Judge or prior Court Clerk to develop appropriate administrative functions. The prior Court Clerk performed the collecting, receipting, depositing, posting, and reconciling process for the moneys collected by the Court. These deficiencies raise a significant potential for fraud.

We recommend the Court establish internal control and record keeping procedures to compensate for the lack of a segregation of duties. We also recommend the Judge of the Court periodically review some of the reconciliations and reports of the Court. The information obtained as a result of such inquiries will provide management with proper oversight to compensate for the lack of segregation of duties.

Open Items List

The Court's June 30, 2000, open items list contained cases with negative balances as a result of inaccurate and inconsistent record keeping. Negative balances indicate that moneys collected from cases were disbursed and the disbursements were applied to another case(s) erroneously.

We recommend the Court establish internal control procedures and record keeping procedures to ensure that disbursements of moneys are being applied to the correct cases. We also recommend the Court take steps to eliminate the negative balances on the open items list.

Computer System Fine and Costs Distributions

The Court computer master list of the fine and costs distributions did not always contain the correct distributions based on statutory requirements. The discrepancies between the computer master list and statutory requirements could cause incorrect fine and cost distributions to various agencies that are due from revenues collected by the Court.

We recommend the Interim Court Clerk review and update the computer master list of the fine and cost distributions to ensure the list meets statutory requirements.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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BELMONT COUNTY COURT - EASTERN DIVISION

BELMONT 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
MARCH 20, 2001**