

# ATTESTATION ENGAGEMENT

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District Court 02-2-02  
Lancaster County, Pennsylvania  
For the Period  
January 1, 2012 to December 31, 2015

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August 2017



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

### Independent Auditor's Report

The Honorable C. Daniel Hassell  
Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 02-2-02, Lancaster County, Pennsylvania (District Court), for the period January 1, 2012 to December 31, 2015, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c). The District Court's management is responsible for presenting this Statement in accordance with the criteria set forth in Note 1. Our responsibility is to express an opinion on this Statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statement is presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statement of receipts and disbursements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Statement, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are mandated by Section 401(c) of *The Fiscal Code* to audit the accounts of each district court to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 401(c) of *The Fiscal Code*.

### Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above, for the period January 1, 2012 to December 31, 2015, is presented in accordance with the criteria set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statement; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statement. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our engagement we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the finding listed below, that we consider to be a significant deficiency.

- Inadequate Arrest Warrant Procedures - Recurring.

Independent Auditor's Report (Continued)

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the District Court's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We are concerned that the district court failed to correct a previously reported finding regarding Inadequate Arrest Warrant Procedures. These deficiencies could result in uncollected fines and unpunished offenders and increase the risk for funds to be lost or misappropriated. The district court should strive to implement the recommendations and corrective actions noted in this report.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. This report is not suitable for any other purposes.

We appreciate the courtesy extended by the District Court 02-2-02, Lancaster County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.



Eugene A. DePasquale  
Auditor General

July 18, 2017

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DISTRICT COURT 02-2-02  
LANCASTER COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

Receipts:

Department of Transportation	
Title 75 Fines	\$ 103,274
Child Restraint Fines	1,242
Department of Revenue Court Costs	207,302
Crime Victims' Compensation Bureau Costs	34,567
Crime Commission Costs/Victim Witness Services Costs	24,765
Domestic Violence Costs	9,818
Department of Agriculture Fines	100
Emergency Medical Service Fines	32,247
CAT/MCARE Fund Surcharges	103,149
Judicial Computer System Fees	112,209
Access to Justice Fees	31,635
Criminal Justice Enhancement Account Fees	6,577
Judicial Computer Project Surcharges	38,115
Constable Service Surcharges	24,879
Miscellaneous State Fines and Costs	18,989
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Total receipts (Note 2)	748,868
Disbursements to Commonwealth (Note 3)	<hr/> (748,868)
Balance due Commonwealth (District Court) per settled reports (Note 4)	-
Examination adjustments	<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2012 to December 31, 2015	<hr/> \$ - <hr/>

Notes to the Statement of Receipts and Disbursements are an integral part of this report.

DISTRICT COURT 02-2-02  
LANCASTER COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

2. Receipts

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Commonwealth. These fines, costs, fees, and surcharges represent collections made on traffic, non-traffic, civil, and criminal cases filed with the District Court.

3. Disbursements

Total disbursements are comprised as follows:

District Court checks issued to:

Department of Revenue	<u>\$ 748,868</u>
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2012 To December 31, 2015

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

5. Magisterial District Judge Serving During Examination Period

Bruce A. Roth served at District Court 02-2-02 for the period January 1, 2012 to December 31, 2015.

DISTRICT COURT 02-2-02  
LANCASTER COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding - Inadequate Arrest Warrant Procedures - Recurring**

We cited the issue of inadequate arrest warrant procedures in the two prior examination reports with the most recent being for the period January 1, 2008 to December 31, 2011. Our current examination found that the office did not correct this issue. Warrants are used to enforce the collection of monies on traffic and non-traffic cases in which defendants failed to make payments when required. A Warrant of Arrest (AOPC 417) is used to authorize an official to arrest a defendant, to collect fines and costs from the defendant after a disposition, or to collect collateral for a trial. If the defendant does not respond within ten days to a citation or summons, a Warrant of Arrest may be issued.

During our testing of warrant procedures, we noted that warrant procedures established by the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) were not always followed. The Magisterial District Judge did not consistently issue warrants when required. We tested 69 instances in which a warrant was required to be issued. Our testing disclosed that 10 were not issued timely and 4 were not issued at all. The time of issuance ranged from 62 days to 461 days.

In addition, of 65 warrants required to be returned or recalled, 8 were not returned or recalled, 31 were not returned timely. The time of issuance to the time of return ranged from 197 days to 1,335 days.

The Manual establishes the uniform written internal control policies and procedures for all district courts.

**Warrant Issuance Procedures:** The Manual states that on October 1, 1998, new warrant procedures took effect for summary cases. Amendments were made to Pa.R.Crim.P. Rules 430, 431, 454, 455, 456, 460, 461, and 462. To comply with the new changes, the Notice of Impending Warrant (AOPC A418) was created with the purpose of informing the defendant that failure to pay the amount due or to appear for a Payment Determination Hearing will result in the issuance of an arrest warrant. The defendant is also informed that his/her response must be made within ten days of the date of the notice.



DISTRICT COURT 02-2-02  
LANCASTER COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding - Inadequate Arrest Warrant Procedures - Recurring (Continued)**

According to Pa.R.Crim.P. Rule 430, a Notice of Impending Warrant may be issued in a post-disposition summary case for any of the following reasons:

- A guilty disposition is recorded and no payment is made or a time payment schedule is not created.
- A guilty disposition is recorded and a previously deposited collateral payment, when applied, does not pay the case balance in full.
- A guilty disposition is recorded and the defendant defaults on a time payment schedule.

According to Pa.R.Crim.P. 430, a warrant SHALL be issued in a summary case for any of the following reasons (a Notice of Impending Warrant is not necessary for the following):

- The defendant has failed to respond to a citation or summons that was served either personally or by certified mail, return receipt requested.
- The citation or summons is returned undeliverable.
- The Magisterial District Judge has reasonable grounds to believe that the defendant will not obey a summons.

**Warrant Return Procedures:** The Manual states that the Administrative Office of Pennsylvania Courts (AOPC) recommends that those in possession of arrest warrants should be notified to return warrants that have not been served. For summary traffic and non-traffic cases, outstanding warrants should be returned to the Magisterial District Judge's office within 60 days of issuance. Returned warrants can either be recorded in the Magisterial District Judge System (MDJS) as unserved, if the defendant is unable to be located; or they can be recalled for reissue, if the server has not exhausted all means of finding the defendant.

Returned warrants should be filled out in their entirety. Warrants should be returned within 90 days of issuance. Returned warrants should be maintained in the case file.

The failure to follow warrant and DL-38 procedures could result in uncollected fines and unpunished offenders. Additionally, the risk is increased for funds to be lost or misappropriated.

DISTRICT COURT 02-2-02  
LANCASTER COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding - Inadequate Arrest Warrant Procedures - Recurring (Continued)**

This condition existed because the district court failed to review reports for warrants daily as recommended in the prior two examination reports. Adherence to the uniform internal control policies and procedures, as set forth in the Manual, would have ensured that there were adequate internal controls over warrants.

**Recommendations**

We again recommend that the district court review the tickler reports for warrants daily and take appropriate action as required by the Manual. We further recommend that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 60 days for summary traffic and non-traffic cases as recommended by the Manual.

**Management's Response**

The Magisterial District Judge responded as follows:

I have recently hired a new office manager after 17 years. She is committed to monitoring the DL-38s to make sure they are issued in a timely fashion. With regards to warrants, they are for the most part, no longer handled by constables. Instead, the Sheriff's Department has taken over and we have very little, if any, authority over them. I will contact our Court Administration to try and develop a protocol that comports with AOPC, PA audit guidelines.

**Auditor's Conclusion**

We appreciate the district court's efforts to correct this issue. This is a recurring finding. It is imperative that warrants are issued and returned timely to enforce the collections of monies and punish offenders for nonpayment of monies due the district court. During our next examination, we will determine if the district court complied with our recommendations.

DISTRICT COURT 02-2-02  
LANCASTER COUNTY  
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

Summary of Prior Examination Recommendations

During our prior two examinations, we recommended that the office:

- Review the tickler reports for warrants & DL-38s daily and take appropriate action as required by the Manual.

During our current examination, we noted that the office complied with our prior examination recommendation regarding the DL-38 documents by reviewing the tickler reports for DL-38s daily and taking appropriate action as required by the Manual. However, the office did not comply with our recommendation regarding the review of tickler reports for warrants. Please see the current year finding for additional information.

DISTRICT COURT 02-2-02  
LANCASTER COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

This report was initially distributed to:

**The Honorable C. Daniel Hassell**  
Secretary  
Pennsylvania Department of Revenue

**The Honorable Thomas B. Darr**  
Court Administrator of Pennsylvania  
Supreme Court of Pennsylvania  
Administrative Office of Pennsylvania Courts

**The Honorable Bruce A. Roth**  
Magisterial District Judge

**The Honorable Dennis P. Stuckey**  
Chairperson of the Board of Commissioners

**The Honorable Brian Hurter, CPA**  
Controller

**Mr. Mark M. Dalton**  
District Court Administrator

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).