

ATTESTATION ENGAGEMENT

District Court 19-3-01
York County, Pennsylvania
For the Period
January 1, 2009 to December 31, 2012

September 2014



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 Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 19-3-01, York County, Pennsylvania (District Court), for the period January 1, 2009 to December 31, 2012, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c). This Statement is the responsibility of the District Court's management. 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. An examination includes examining, on a test basis, evidence supporting the Statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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*.

In our opinion, the Statement referred to above presents, in all material respects, the operations of the District Court as it pertains to receipts made on behalf of the Commonwealth for the period January 1, 2009 to December 31, 2012, in conformity with the criteria set forth in Note 1.

Independent Auditor's Report (Continued)

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statement and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. 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 the internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District Court's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the District Court's Statement that is more than inconsequential will not be prevented or detected by the District Court's internal control. We consider the deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statement:

- Bank Deposit Slips Were Not Validated.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the District Court's internal control. Our consideration of the internal control over reporting on the Statement would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the significant deficiency described above to be a material weakness.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the District Court and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy extended by the District Court 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.



John M. Lori, CPA
Deputy Auditor General for Audits

July 28, 2014

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DISTRICT COURT 19-3-01
YORK COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

Receipts:

Department of Transportation		
Title 75 Fines	\$	283,574
Motor Carrier Road Tax Fines		725
Overweight Fines		3,645
Commercial Driver Fines		2,000
Littering Law Fines		824
Child Restraint Fines		892
Department of Revenue Court Costs		283,555
Crime Victims' Compensation Bureau Costs		55,727
Crime Commission Costs/Victim Witness Services Costs		40,015
Domestic Violence Costs		11,697
Department of Agriculture Fines		632
Emergency Medical Service Fines		85,076
CAT/MCARE Fund Surcharges		263,036
Judicial Computer System Fees		128,535
Access to Justice Fees		36,855
Criminal Justice Enhancement Account Fees		10,719
Judicial Computer Project Surcharges		48,832
Constable Service Surcharges		24,061
Miscellaneous State Fines and Costs		23,874
		<hr/>
Total receipts (Note 2)		1,304,274
Disbursements to Commonwealth (Note 3)		<hr/> (1,304,274)
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2009 to December 31, 2012	\$	<hr/> <hr/> -

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

DISTRICT COURT 19-3-01
YORK COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

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	\$ 1,304,274
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2009 To December 31, 2012

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

5. Prior Examination Period Balance Due

We noted that there was a prior examination balance due the County of \$17 which was not taken as of the end of our current examination period.

DISTRICT COURT 19-3-01
YORK COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

6. Magisterial District Judges Serving During Examination Period

Hazel Swisher, Senior Judge, served at District Court 19-3-01 for the period January 1, 2009 to July 5, 2009

John H. Fishel served at District Court 19-3-01 for the period July 6, 2009 to December 31, 2012.

DISTRICT COURT 19-3-01
YORK COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

Finding - Bank Deposit Slips Were Not Validated

Our examination of the district court's accounting records disclosed that the office copy of the bank deposit slip was not validated by the bank in 40 of the 60 deposits tested. The district court received a validated receipt from the bank, but this only confirmed the total amount deposited and not the actual make up of the deposit (i.e. cash and check mix).

Good internal accounting controls require that the amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit should be brought to the bank to be validated. If the bank cannot validate the deposit slip, the office should obtain a deposit ticket from the bank that validates total cash and the total deposit. After the office receives the validation from the bank, it should be reconciled to the receipts by someone other than the person preparing or making the deposit.

Without a good system of internal control over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

The district court was not aware of the potential internal control weaknesses caused by not having a validated deposit slip or deposit ticket from the bank.

Recommendations

We recommend that the district court obtain validation from the bank as to the mix of cash and checks deposited. We further recommend that the validation is reconciled to receipts by someone other than the person preparing or making the deposit.

Management's Response

The Magisterial District Judge responded as follows:

We did not receive notice to request additional services/process for the bank in depositing our collections. We feel it is extremely unjust that an office can receive a written finding when no Rule of Court or policy or procedure was violated nor Notice given in any prior audit, etc. for which this office failed to comply or had any control to correct. We continued to follow the same standard as previous audits with our deposit transactions which resulted in perfect past audits.

DISTRICT COURT 19-3-01
YORK COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

Finding No. 1 - Bank Deposit Slips Were Not Validated (Continued)

Auditor's Conclusion

Good internal accounting controls require that deposit slips are validated by the bank to document the mix of cash and checks deposited. The failure to obtain validate deposit slips that document the mix of cash and checks increases the possibility that funds could be lost or misappropriated and that the misappropriation will go undetected. Further, our examination for the period January 1, 2005 to December 31, 2008 revealed that deposit slips were validated by the bank to document the mix of cash and checks deposited. During our next examination we will determine if the District Court complied with our recommendations.

DISTRICT COURT 19-3-01
YORK COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

This report was initially distributed to:

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable John H. Fishel	Magisterial District Judge
The Honorable M. Steve Chronister	Chairperson of the Board of Commissioners
The Honorable Robb P. Green	Controller
Mr. Paul O. Crouse	District Court Administrator

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.