

# ATTESTATION ENGAGEMENT

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District Court 05-2-12  
Allegheny County, Pennsylvania  
For the Period  
January 1, 2013 to December 31, 2015

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November 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 05-2-12, Allegheny County, Pennsylvania (District Court), for the period January 1, 2013 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, 2013 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.

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. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency listed below to be a material weakness.

- Failure To Follow The *Supreme Court Of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention & Disposition Schedule With Guidelines Procedures*.

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*.

Independent Auditor's Report (Continued)

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 05-2-12, Allegheny 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

October 30, 2017

CONTENTS

Page

Financial Section:

Statement Of Receipts And Disbursements.....1

Notes To The Statement Of Receipts And Disbursements.....2

Finding And Recommendations:

Finding - Failure To Follow The *Supreme Court Of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention & Disposition Schedule With Guidelines* Procedures .....3

Report Distribution .....5

DISTRICT COURT 05-2-12  
 ALLEGHENY COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2013 TO DECEMBER 31, 2015

Receipts:

Department of Transportation	
Title 75 Fines	\$ 172,803
Motor Carrier Road Tax Fines	338
Overweight Fines	1,435
Commercial Driver Fines	7,050
Littering Law Fines	624
Child Restraint Fines	300
Department of Revenue Court Costs	207,127
Crime Victims' Compensation Bureau Costs	15,159
Crime Commission Costs/Victim Witness Services Costs	10,834
Domestic Violence Costs	4,033
Department of Agriculture Fines	300
Emergency Medical Service Fines	94,271
CAT/MCARE Fund Surcharges	307,085
Judicial Computer System Fees	93,251
Access to Justice Fees	26,289
Criminal Justice Enhancement Account Fees	4,876
Judicial Computer Project Surcharges	32,162
Constable Service Surcharges	5,911
Miscellaneous State Fines and Costs	<u>303,372</u>
 Total receipts (Note 2)	 1,287,220
 Disbursements to Commonwealth (Note 3)	 <u>(1,289,009)</u>
 Balance due Commonwealth (District Court) per settled reports (Note 4)	  (1,789)
 Examination adjustments (Note 5)	 <u>1,789</u>
 Adjusted balance due Commonwealth (District Court) for the period January 1, 2013 to December 31, 2015	  <u><u>\$ -</u></u>

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

DISTRICT COURT 05-2-12  
ALLEGHENY COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 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>\$ 1,289,009</u>
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2013 To December 31, 2015

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

5. Examination Adjustment

This adjustment reflects payments to the Department of Revenue during the current examination period for the repayment of funds misappropriated during the examination period January 1, 2006 to August 31, 2008.

6. Magisterial District Judge Serving During Examination Period

William K. Wagner served at District Court 05-2-12 for the period January 1, 2013 to December 31, 2015.

DISTRICT COURT 05-2-12  
ALLEGHENY COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2015

**Finding - Failure To Follow The Supreme Court Of Pennsylvania Administrative Office  
Of Pennsylvania Courts Record Retention & Disposition Schedule With  
Guidelines Procedures**

Our examination disclosed that traffic/non-traffic citations issued between January 1, 2013 and December 31, 2013 were not available for examination and were destroyed in 2017 by the district court without being in compliance with the procedures described in the *Supreme Court of Pennsylvania Administrative Office of Pennsylvania Courts Record Retention & Disposition Schedule with Guidelines* (Schedule).

The Schedule outlines the proper procedures for the destruction of non-permanent court records. Disposal request procedures include:

A request to destroy non-permanent scheduled records must be submitted by the record custodian requesting permission to dispose of the record(s) to the Record Retention Officer utilizing a Unified Judicial System Disposal Log for Non-Permanent Records form adopted by the AOPC as provided in Pa.R.J.A. No. 507. The Record Retention Officer shall review the Records Disposal Log Form for completeness and shall grant written permission to dispose of such non-permanent records upon ascertaining that the applicable retention period as set forth in the schedule has been met. Written approval from the AOPC is not necessary before destroying non-permanent records as identified in the schedule. A log of individual disposition actions involving non-permanent records must be maintained. Copies of the Records Disposal Log Form shall be submitted on an annual basis to the AOPC. (See §4.5 Form Retention)

Although the Schedule identifies traffic and non-traffic citations as records that may be destroyed after three years, the Schedule also states in part:

Records subject to audit must be retained for the periods listed in the schedule and must be audited and all findings resolved before such records may be destroyed. [Emphasis added.]

The failure to maintain these records resulted in an unclear examination trail. Additionally, collections associated with missing case files and documents could be lost or misappropriated.

This condition existed because the staff was unaware that the records had not yet been examined by the Department of the Auditor General.

DISTRICT COURT 05-2-12  
ALLEGHENY COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2015

**Finding - Failure To Follow The Supreme Court Of Pennsylvania Administrative Office Of  
Pennsylvania Courts Record Retention & Disposition Schedule With Guidelines  
Procedures (Continued)**

Recommendations

We recommend that the district court comply with the procedures listed in the Schedule.

We further recommend that the district court not destroy citations until after they have been subject to examination by the Department of the Auditor General.

Management's Response

The Magisterial District Judge responded as follows:

My staff properly followed the Retention Rules in regards to the destruction of Closed Cases, Non-Traffic & Traffic cases, wherein the physical case file is to be kept for a period of 3 years. The list of potential cases to be destroyed was given to the Court Administration for approval. My staff was given the approval to destroy the records. At no time was it discovered that my court had not been audited on these cases. Most cases requested were able to be recreated other than the original paperwork. The AOPC has now added a line on the physical case file to be destroyed request form to alert staff to verify that an audit has been performed on the cases that are past the 3 year retention schedule.

Auditor's Conclusion

It is imperative that records be available for examination before being destroyed to provide for an adequate audit trail. During our next examination, we will determine if the office complied with our recommendations.

DISTRICT COURT 05-2-12  
ALLEGHENY COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2013 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 William K. Wagner**  
Magisterial District Judge

**The Honorable Rich Fitzgerald**  
County Executive of the Board of Commissioners

**The Honorable Chelsa Wagner**  
Controller

**Linda L. Kelly, Esq.**  
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).