

DISTRICT COURT 06-2-01

ERIE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

DECEMBER 1, 2006 TO DECEMBER 31, 2009

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**Department of the Auditor General
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120-0018**

**JACK WAGNER
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 06-2-01, Erie County, Pennsylvania (District Court), for the period December 1, 2006 to December 31, 2009, 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 ended December 31, 2009, 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:

- Evidence Of Authorizing The Disposition Of Citations Was Not Available.

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.

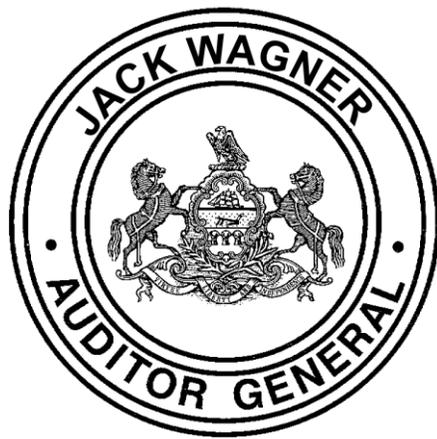
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Independent Auditor's Report (Continued)

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.

July 15, 2010

JACK WAGNER
Auditor General



DISTRICT COURT 06-2-01
 ERIE COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 DECEMBER 1, 2006 TO DECEMBER 31, 2009

Receipts:

Department of Transportation			
Title 75 Fines	\$	59,028	
Littering Law Fines		114	
Child Restraint Fines		100	
Department of Revenue Court Costs		57,805	
Crime Victims' Compensation Bureau Costs		15,059	
Crime Commission Costs/Victim Witness Services Costs		10,862	
Domestic Violence Costs		3,806	
Emergency Medical Service Fines		11,953	
CAT/MCARE Fund Surcharges		35,522	
Judicial Computer System Fees		24,267	
Access to Justice Fees		5,833	
Constable Service Surcharges		7,443	
Miscellaneous State Fines		4,864	
Total receipts (Note 2)	\$	236,656	
Disbursements to Commonwealth (Note 3)		<u>(236,656)</u>	
Balance due Commonwealth (District Court) per settled reports (Note 4)		-	
Examination adjustments		<u>-</u>	
Adjusted balance due Commonwealth (District Court) for the period December 1, 2006 to December 31, 2009	\$	<u><u>-</u></u>	

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

DISTRICT COURT 06-2-01
ERIE COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
DECEMBER 1, 2006 TO DECEMBER 31, 2009

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>236,656</u>
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4. Balance Due Commonwealth (District Court) For The Period December 1, 2006 To December 31, 2009

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

5. Magisterial District Judge Serving During Examination Period

Tom Robie served at District Court 06-2-01 for the period December 1, 2006 to December 31, 2009.

DISTRICT COURT 06-2-01
ERIE COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
DECEMBER 1, 2006 TO DECEMBER 31, 2009

Finding – Evidence Of Authorizing The Disposition Of Citations Was Not Available

During our examination of the district court's case files, we tested cases with dispositions of not guilty, dismissed, discharged, or withdrawn. Of 38 cases tested that included these types of dispositions, there was no evidence for all 38 cases that the disposition was authorized by the Magisterial District Judge. In addition, the office used a facsimile signature stamp on all 38 cases. The facsimile signature was kept in a secretary's desk drawer.

Good internal accounting controls ensure that there is evidence that the disposition on these cases was authorized by the Magisterial District Judge. The failure to follow this procedure increases the risk for funds to be lost or misappropriated. Additionally, good internal controls ensure that effective measures are implemented to protect against the inappropriate use of the Magisterial District Judge's signature. Only the Magisterial District Judge should have access to the facsimile signature stamp and the stamp should be stored in a secured location.

Adherence to good internal controls would have ensured that there were adequate internal controls over citations.

Recommendations

We recommend that Magisterial District Judge authorize the disposition on these cases and that this documentation is available for examination. Additionally, we recommend that the district court implement good internal controls over the access to the facsimile signature stamp by restricting the availability of the facsimile signature stamp to the Magisterial District Judge only.

Management's Response

The Magisterial District Judge responded as follows:

Everything is documented in case files. I never knew dispositions had to be signed by the Magisterial District Justice.

Auditor's Conclusion

Although the office does have documentation in the case files, the documentation does not include evidence that the disposition was authorized by the Magisterial District Judge.

DISTRICT COURT 06-2-01
ERIE COUNTY
COMMENT
FOR THE PERIOD
DECEMBER 1, 2006 TO DECEMBER 31, 2009

Comment - Compliance With Prior Examination Recommendations

During our prior examination, we recommended:

- That the office safeguard funds for deposit by maintaining a record of the employee making the deposit and by confirming that the deposit was made by reviewing the validated deposit slip the next day.
- That the office provide for greater segregation of duties within the office.
- That the office use the jail time and community service adjustment when appropriate.

During our current examination, we noted that the office complied with our recommendations.

DISTRICT COURT 06-2-01
ERIE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
DECEMBER 1, 2006 TO DECEMBER 31, 2009

This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

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

The Honorable Tom Robie	Magisterial District Judge
The Honorable Sue Weber	Controller
The Honorable Barry Grossman	County Executive
Mr. Thomas C. Aaron	District Court Administrator

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at www.auditorgen.state.pa.us.