



DISTRICT COURT 12-1-03

DAUPHIN COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2003 TO DECEMBER 31, 2005



## CONTENTS

	<u>Page</u>
Independent Auditor's Report .....	1
Financial Section:	
Statement Of Receipts And Disbursements.....	3
Notes To The Statement Of Receipts And Disbursements.....	4
Finding And Recommendation:	
Finding - Inadequate Internal Controls Over The Bank Account .....	5
Comment.....	6
Report Distribution .....	7



## Independent Auditor's Report

Mr. Thomas W. Wolf  
Acting Secretary  
Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 12-1-03, Dauphin County, Pennsylvania (District Court), for the period January 1, 2003 to December 31, 2005, 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*.

Independent Auditor's Report (Continued)

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 Pennsylvania Department of Revenue and other state agencies for the period ended December 31, 2005, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of 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 the Statement or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards* and this finding is described in the Finding and Recommendation section of the report.

We are concerned in light of the District Court's failure to correct a previously reported audit finding regarding inadequate internal controls over the bank account. The District Court should strive to implement the recommendation and corrective actions noted in this examination report. During our current examination, we noted several significant weaknesses in the internal controls over the bank account. These significant deficiencies increase the potential for funds to be lost, stolen, or misappropriated.

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.

January 17, 2007

JACK WAGNER  
Auditor General

DISTRICT COURT 12-1-03  
 DAUPHIN COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2003 TO DECEMBER 31, 2005

Receipts:

Department of Transportation		
Title 75 Fines	\$	204,840
Motor Carrier Road Tax Fines		50
Littering Law Fines		25
Child Restraint Fines		754
Department of Revenue Court Costs		370,609
Crime Victims' Compensation Bureau Costs		49,010
Crime Commission Costs/Victim Witness Services Costs		41,582
Department of Public Welfare		
Domestic Violence Costs		17,200
Attend Care Fines		48
Fish and Boat Commission Fines		4,127
Game Commission Fines		257
Emergency Medical Service Fines		61,318
CAT/MCARE Fund Surcharges		185,469
Judicial Computer System Fees		179,958
Access to Justice Fees		29,571
Constable Service Surcharges		42,829
Miscellaneous State Fines		400
		<hr/>
Total receipts (Note 2)	\$	1,188,047
Disbursements to Department of Revenue (Note 3)		<hr/> (1,188,047)
Balance due Department of Revenue (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Department of Revenue (District Court) for the period January 1, 2003 to December 31, 2005	\$	<hr/> <hr/> -

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

DISTRICT COURT 12-1-03  
DAUPHIN COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2003 TO DECEMBER 31, 2005

1. Criteria

The Statement of Receipts and Disbursements (Statement) has been prepared in accordance with Title 72 P.S. Section 401 (c) of *The Fiscal Code*, which requires the Department of the Auditor General to determine whether all money collected on behalf of the Commonwealth has been remitted promptly and to provide the Department of Revenue with a report to enable them to settle an account covering any delinquency.

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 Department of Revenue and other state agencies. 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:

Checks issued to the Department of Revenue	<u>\$ 1,188,047</u>
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4. Balance Due Department Of Revenue (District Court) For The Period January 1, 2003 To December 31, 2005

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

5. Magisterial District Judge Serving During Examination Period

Joseph S. Solomon served at District Court 12-1-03 for the period January 1, 2003 to December 31, 2005.



DISTRICT COURT 12-1-03  
DAUPHIN COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2003 TO DECEMBER 31, 2005

Finding – Inadequate Internal Controls Over The Bank Account

Our review of the accounting records for the district court disclosed the following deficiencies in the internal controls over the bank account:

- Bank reconciliations were not prepared properly.
- There was no adequate accountability over undisbursed funds. As of December 31, 2005, recorded obligations exceeded cash on hand in the bank account by \$1,130.

These conditions existed because the district court failed to establish adequate internal controls over its bank account.

A good system of internal controls ensures that:

- Bank reconciliations are prepared accurately and on a monthly basis.
- The ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the bank account of the district court is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available cash on hand should equal unpaid obligations.

Without a good system of internal controls over the bank account, the potential is increased that funds could be lost, stolen, or misappropriated.

This finding was also cited in our prior audit for the period ending December 31, 2002.

Recommendation

We again recommend that the district court establish and implement an adequate system of internal controls over the bank account as noted above.

Auditee Response

No formal response offered at this time.

Auditor's Conclusion

We are disappointed that the Magisterial District Judge has not responded as to the action that will be taken to correct this condition. This finding was also cited in our prior audit.

DISTRICT COURT 12-1-03  
DAUPHIN COUNTY  
COMMENT  
FOR THE PERIOD  
JANUARY 1, 2003 TO DECEMBER 31, 2005

Comment - Compliance With Prior Audit Recommendations

During our prior audit, we made the following recommendations:

- That the office adhere to the downtime manual receipt procedures required by the *Magisterial District Judge Automated Office Clerical Procedures Manual*. Specifically, all downtime manual receipts and the corresponding logs should be properly accounted for and maintained.
- That the office authorize payment of only allowable and correctly documented costs and fees for constables in accordance with state statute.

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

DISTRICT COURT 12-1-03  
DAUPHIN COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2003 TO DECEMBER 31, 2005

This report was initially distributed to:

Mr. Thomas W. Wolf  
Acting Secretary  
Department of Revenue

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

District Court 12-1-03  
Dauphin County  
1705 North Front Street  
Harrisburg, PA 17102

Carolyn Crandall Thompson, Esquire	District Court Administrator
The Honorable Joseph S. Solomon	Magisterial District Judge
The Honorable Jeff Haste	Chairman of the Board of Commissioners
The Honorable Marie E. Rebuck	Controller

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](http://www.auditorgen.state.pa.us).