DISTRICT COURT 31-3-01

LEHIGH COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2005 TO DECEMBER 31, 2007

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Independent Auditor's Report

Mr. C. Daniel Hassell
Acting Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 31-3-01, Lehigh County, Pennsylvania (District Court), for the period January 1, 2005 to December 31, 2007, 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, 2007, in conformity with the criteria set forth in Note 1.

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.

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 internal control over reporting on the Statement was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any significant deficiencies or material weaknesses, as defined above, in internal control over reporting on the Statement.

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 28, 2009

JACK WAGNER
Auditor General

JACK WAGNER

AUDITOR GENERAL

DISTRICT COURT 31-3-01
LEHIGH COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Receipts:		
Department of Transportation		
Title 75 Fines	$112,526	
Motor Carrier Road Tax Fines	450	
Overweight Fines	1,800	
Littering Law Fines	628	
Child Restraint Fines	75	
Department of Revenue Court Costs	84,656	
Crime Victims' Compensation Bureau Costs	18,717	
Crime Commission Costs/Victim Witness Services Costs	13,533	
Department of Public Welfare		
Domestic Violence Costs	3,761	
Attend Care Fines	48	
Department of Agriculture Fines	848	
Fish and Boat Commission Fines	1,488	
Game Commission Fines	29,594	
Emergency Medical Service Fines	22,858	
CAT/MCARE Fund Surcharges	71,811	
Judicial Computer System Fees	43,808	
Access to Justice Fees	10,254	
Constable Service Surcharges	10,217	
Department of Labor and Industry Fines	100	
Firearm Education and Training Costs	13	
State Police Crime Lab Fees	735	
Miscellaneous State Fines	728	
Total receipts (Note 2)		$428,648
Disbursements to Commonwealth (Note 3)		(428,677)
Balance due Commonwealth (District Court) per settled reports (Note 4)		(29)
Examination adjustments		-
Adjusted balance due Commonwealth (District Court) for the period January 1, 2005 to December 31, 2007		$ (29)

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

DISTRICT COURT 31-3-01
LEHIGH COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

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	$ 428,677

4. Balance Due Commonwealth (District Court) For The Period January 1, 2005 To December 31, 2007

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue. The balance does not reflect credit for a payment of $29 for December 2007, which was credited by the Department of Revenue in January 2008.

5. Magisterial District Judge Serving During Examination Period

Rod R. Beck served at District Court 31-3-01 for the period January 1, 2005 to December 31, 2007.

Observation - Improper Assessment Of Costs

Our examination of Lehigh County District Courts revealed that the courts were assessing a $10 fee to cover the additional administrative costs related to establishing installment payment plans in summary conviction cases, pursuant to the provisions of 42 Pa.C.S.A. § 1725.1(c)(5), relating to unclassified costs. Lehigh County District Courts were authorized to assess this cost on all summary cases when the defendant in the summary case requests and is permitted to make installment payments as provided in Pa.R.Crim.P. 454 (F) (1), Trial in Summary Cases.

The Lehigh County Courts interpret such language for the purpose of their Administrative Orders, to mean they are authorized to charge a $10 fee for defendants paying costs and fines through installment payment plans. However, the subchapter in question, 42 Pa.C.S.A. § 1725.1(c)(5) titled "Specific Powers of the Governing Authority of the System," provides for fees to be charged by the courts for various actions relating to issuing documents, such as court orders and warrants, in civil cases, custody cases, and criminal cases, not for establishing a payment schedule for defendants.

Recommendations

We recommend that district court discontinue assessing the above-cited fee. We further recommend that Lehigh County Courts assess fees and costs as intended by the appropriate state statutes.

Management's Response

The President Judge responded as follows:

> This order was adopted pursuant to the authority set forth in 42 Pa.C.S. Section 1725.1 (c) (5), and therefore was a proper exercise of the authority vested in the courts by the statue since it, in reality is a fee for the "issuance" of the payment plan or court order adopting the payment plan in the case. This is obviously so because that is the authority cited for the $10.00 fee. Admittedly, there is language about recovering administrative costs, but those costs, over and above the costs of setting up the payment plan, far exceed the $10.00 fee set for the initial plan. If the auditor is not willing to withdraw this "observation," the current President Judge has indicated he will clarify the Administrative Order by amendment to reflect this intent.

Observation - Improper Assessment Of Costs (Continued)

Auditor's Conclusion

As previously stated, 42 Pa.C.S.A. § 1725.1(c)(5) allows for fees to be assessed against parties serving documents, such as warrants and protection from abuse orders. Setting up an installment payment plan for a defendant to pay costs and fines does not include the "issuance" of any documents, but rather is simply an administrative program to keep track of how much a defendant has paid. Lehigh County amending its Administrative Order to include the word "issuance" does not correct the original problem, which is Lehigh County is improperly assessing additional fees against defendants.

DISTRICT COURT 31-3-01
LEHIGH COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

This report was initially distributed to:

Mr. C. Daniel Hassell
Acting Secretary
Pennsylvania Department of Revenue

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

District Court 31-3-01
Lehigh County
106 South Walnut Street
Slatington, PA 18080

The Honorable Rod R. Beck	Magisterial District Judge
The Honorable Percy Dougherty	Chairman of the Board of Commissioners
Mr. H. Gordon Roberts	District Court Administrator
Mr. Dave Joseph	Acting 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.