

DISTRICT COURT 51-3-03

ADAMS COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2003 TO DECEMBER 31, 2005

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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 51-3-03, Adams 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*. 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.

Except as discussed in the fourth paragraph, 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 reported and promptly transmitted. *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*.

As discussed in the Findings and Recommendations section of the examination report, the 2003 closed traffic cases "A" thru "H" were missing and/or destroyed and not available for the examination. Without these records, we could not perform our standard examination procedures. As a result, the scope of our examination of the District Court's Statement was limited, and we were unable to satisfy ourselves by other examination procedures.

Independent Auditor's Report (Continued)

In our opinion, except for the effects, if any, of the matters noted in the preceding paragraph, 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 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 certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of management, are described in the Findings and Recommendations section of the report.

We are concerned in light of the District Court's failure to correct previously reported audit findings regarding inadequate case filing and the use of local ordinances in lieu of state statutes. The District Court should strive to implement the recommendations and corrective actions noted in this examination report. During our current audit, we noted several significant weaknesses in the internal controls over case filing and the use of local ordinances in lieu of state statutes that need corrective action. These significant deficiencies increase the potential for funds to be lost, stolen, or misappropriated and a loss of revenue to the Commonwealth.

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 10, 2007

JACK WAGNER
Auditor General

DISTRICT COURT 51-3-03
ADAMS COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Receipts:

Department of Transportation		
Title 75 Fines	\$	221,824
Motor Carrier Road Tax Fines		250
Overweight Fines		2,350
Commercial Driver Fines		1,500
Littering Law Fines		234
Child Restraint Fines		160
Department of Revenue Court Costs		152,771
Crime Victims' Compensation Bureau Costs		44,201
Crime Commission Costs/Victim Witness Services Costs		32,620
Department of Public Welfare		
Domestic Violence Costs		11,258
Attend Care Fines		48
Department of Agriculture Fines		625
Fish and Boat Commission Fines		1,876
Game Commission Fines		9,171
Emergency Medical Service Fines		68,865
CAT/MCARE Fund Surcharges		223,634
Judicial Computer System Fees		85,226
Access to Justice Fees		14,581
Constable Service Surcharges		7,577
Department of Labor and Industry Fines		2,410
State Police Crime Lab Fees		210
		<hr/>
Total receipts (Note 2)	\$	881,391
Disbursements to Department of Revenue (Note 3)		<hr/> (881,391)
Balance due Department of Revenue (District Court) per settled reports (Note 4)		-
Examination adjustments (Exhibit 1)		<hr/> 1,616
Adjusted balance due Department of Revenue (District Court) for the period January 1, 2003 to December 31, 2005	\$	<hr/> <hr/> 1,616

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

DISTRICT COURT 51-3-03
ADAMS 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 \$ 881,391

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

John C. Zepp served at District Court 51-3-03 for the period January 1, 2003 to December 31, 2005.

DISTRICT COURT 51-3-03
ADAMS COUNTY
EXHIBIT 1
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments

Docket Number	Receipt Date	Ordinance Cited **	Section Violated Per State Statute	Amount Due
NT-87-05	08/22/05*	26-1	3504	\$ 50.00
NT-118-03	04/03/03	67-13	3111	25.00
NT-125-05	03/21/05	67-1	3323	24.50
NT-126-03	02/24/03	26-1	3714	51.50
NT-164-05	03/28/05	26-1	3714	43.50
NT-167-03	03/13/03	26-1	3714	29.00
NT-183-04	02/27/04	26-1	3714	61.25
NT-255-04	04/12/04*	67-19	3323	25.00
NT-306-03	04/16/03	67-13	3323	24.00
NT-335-04	07/30/04	67-19	3323	25.00
NT-361-05	05/27/05	67-13	3111	25.00
NT-593-03	07/08/03	26-1	3362	24.00
NT-604-01	08/16/05	26-1	3714	15.00
NT-614-04	07/07/04	26-1	3714	23.75
NT-615-04	07/06/04	26-1	3714	33.75
NT-615-05	10/19/05	26-1	3714	30.00
NT-635-03	07/15/03	26-1	3714	24.00
NT-636-03	07/11/03	26-1	3714	24.00
NT-669-04	08/04/04	67-19	3323	25.00
NT-687-04	08/12/04	67-19	3323	25.00
NT-793-03	09/17/03	26-1	3714	29.00
NT-955-04	11/12/04	26-1	3714	25.00
NT-974-04	11/29/04	26-1	3111	<u>25.00</u>
East Berlin Borough			Total	<u>\$ 687.25</u>
NT-297-03	04/09/03	6101-4	1786	150.00
NT-1737-91	10/17/05	6101-4	3714	37.50
TR-1358-05	07/19/05	101-1	3504	<u>12.50</u>
Reading Township			Total	<u>\$ 200.00</u>
NT-612-05	07/19/05	3-304	3714	<u>50.00</u>
Abbottstown Borough			Total	<u>\$ 50.00</u>

DISTRICT COURT 51-3-03
ADAMS COUNTY
EXHIBIT 1
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments (Continued)

	Docket Number	Receipt Date	Ordinance Cited **	Section Violated Per State Statute	Amount Due
	NT-919-03	12/29/03*	01-01	1501	\$ 100.00
Berwick Township				Total	<u>\$ 100.00</u>
	NT-397-03	05/15/03	00-07	3714	49.50
	NT-649-05	12/06/05*	00-07	3714	100.00
Hamilton Township				Total	<u>\$ 149.50</u>
	NT-350-05	05/23/05	90-1A	1501	150.00
	NT-661-03	07/21/03	90-1A	3714	78.50
	NT-1720-91	12/21/05*	90-1A	3362	37.50
Latimore Township				Total	<u>\$ 266.00</u>
	NT-316-95	07/28/05	1977-5A	3714	25.00
	NT-352-03	04/28/03	1977-5A	3714	58.50
	NT-497-03	06/02/03	1977-5A	3714	54.50
	NT-898-96	07/14/03	1977-5A	3714	25.00
York Spring Borough				Total	<u>\$ 163.00</u>
				Grand Total	<u>\$ 1,615.75</u>

* Multiple payments made on the case. Only the final payment date is listed.

** The local ordinance was cited by the arresting officer. However, this violation is part of the Title 75, Pennsylvania *Motor Vehicle Code*, which cannot be superseded.

DISTRICT COURT 51-3-03
ADAMS COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Finding No. 1 - Local Ordinance Code Improperly Utilized In Lieu Of Related State Statute

During the course of our audit of District Court 51-3-03, we noted that the local police from seven municipalities were issuing citations for traffic violations using local ordinance codes in lieu of the applicable state statute. Our examination disclosed a total of 37 cases in which a local ordinance superseded the state statute and a payment was made. Information pertaining to the 37 traffic violations is summarized below.

<u>Municipality</u>	<u>Number of Cases Filed by Police</u>	<u>Number of Cases In Which Payment Was Made</u>	<u>Balance Due The Dept. of Revenue</u>
East Berlin Borough	23	23	\$ 687.25
Reading Township	3	3	200.00
Abbottstown Borough	1	1	50.00
Berwick Township	1	1	100.00
Hamilton Township	2	2	149.50
Latimore Township	3	3	266.00
York Spring Borough	<u>4</u>	<u>4</u>	<u>163.00</u>
Totals	<u>37</u>	<u>37</u>	<u>\$1,615.75</u>

Because traffic citations were issued under local ordinances and not under state statute, all fines which were assessed and collected were remitted to the local municipality which made the arrest. If these traffic arrests were issued under the state statute, the Commonwealth would have been entitled to 50 percent of the fines assessed and collected as indicated by Title 75 of the *Vehicle Code*. Additionally, the amount of the fines assessed in accordance with the local ordinance, differs from the amount dictated by Title 75 of the *Vehicle Code*. It should be noted that the balance due the Department of Revenue represents one half of the total amount collected on the local ordinance, as opposed to the fine that would have been charged if the proper motor vehicle code section would have been cited. See Exhibit 1 of this report for a complete listing of the balance due cases. Also, since the Catastrophic Fund Surcharges and the Emergency Medical Services Fines are not assessed on local ordinances, there was an additional loss of revenue to the Commonwealth of approximately \$1,110.00 and \$370.00, respectively.

DISTRICT COURT 51-3-03
ADAMS COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Finding No. 1 - Local Ordinance Code Improperly Utilized In Lieu Of Related State Statute
(Continued)

Local ordinances were cited in lieu of state statutes because the local police were following their respective Local Ordinance Code instead of Title 75 of the *Vehicle Code*.

Title 75 Pa. C.S. subsection 6301 states in part, “when the same conduct is proscribed under this title and a local ordinance, the charge shall be brought under this title and not under the local ordinance.”

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

Recommendations

We again recommend that the district court review all local ordinances to determine if state statutes are being superseded. We also again recommend that the district court ensure all citations are issued properly and include the appropriate fine and costs as mandated by state statute.

Management’s Response

The Magisterial District Judge responded as follows:

The court continues to direct local police department to write citations under state statutes “only” when applicable and not under local ordinance.

Auditor’s Conclusion

The district court should ensure all citations are issued properly and include the appropriate fine and costs as mandated by state statute. The district court should not accept citations that supersede state statute.

DISTRICT COURT 51-3-03
ADAMS COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2005

Finding No. 2 - Missing Case Files

Our examination of the district court required that certain case files be examined. We encountered considerable difficulty in finding a number of case files. We noted six case files that could not be located. Furthermore, we noted that closed traffic citations, issued in 2003, with last names "A" through "H" were unavailable for the examination, which included three of the six cases noted above. The court responded that these cases were incorrectly disposed of with records that were already audited and scheduled to be disposed of.

Missing case files were the result of inadequate filing procedures. Entire boxes of missing records were mistakenly disposed of with records that were authorized to be destroyed.

In order for an entity to have an efficient record-keeping system, each court document must be filed timely and properly. Additionally, the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) outlines the proper filing procedures for all district courts to follow.

The failure to follow these guidelines could result in case file documents being lost or misfiled. Additionally, collections associated with missing case files and documents could be misappropriated.

Adherence to the uniform internal control policies and procedures, as set forth in the Manual, would have ensured that there were adequate internal controls over case files.

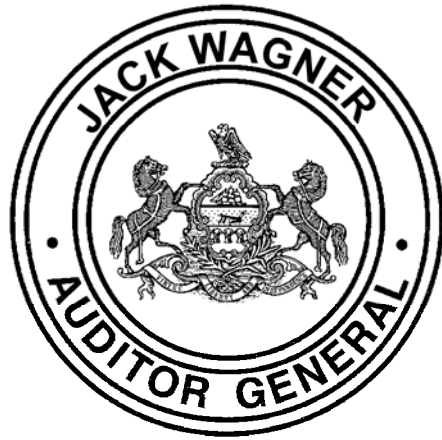
This finding was cited in the prior audit period ending December 31, 2002.

Recommendation

We again recommend that the district court initiate procedures to ensure that all cases are properly filed and contain appropriate documents as outlined in the Manual.

Management's Response

No formal response was offered at this time.



DISTRICT COURT 51-3-03
ADAMS 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 51-3-03
Adams County
40 Church Road
East Berlin, PA 17316

Mr. Mark D. Grim, Jr.	District Court Administrator
The Honorable John C. Zepp	Magisterial District Judge
The Honorable R. Glenn Snyder	Chairperson of the Board of Commissioners

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