

# ATTESTATION ENGAGEMENT

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District Court 53-3-02  
Lawrence County, Pennsylvania  
For the Period  
January 1, 2013 to December 31, 2015

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July 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 53-3-02, Lawrence 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 this Statement. 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 and, accordingly, included 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 January 1, 2013 to December 31, 2015, 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 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, during our engagement we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the finding listed below, that we consider to be significant deficiencies.

- Inadequate Arrest Warrant And DL-38 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)

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.

We appreciate the courtesy extended by the District Court 53-3-02, Lawrence 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.

A handwritten signature in dark ink, appearing to read "Eugene A. DePasquale", with a long, sweeping horizontal line extending to the right.

Eugene A. DePasquale  
Auditor General

June 28, 2017

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DISTRICT COURT 53-3-02  
LAWRENCE COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2013 TO DECEMBER 31, 2015

Receipts:

Department of Transportation	
Title 75 Fines	\$ 270,020
Motor Carrier Road Tax Fines	6,067
Overweight Fines	26,289
Commercial Driver Fines	3,500
Littering Law Fines	250
Child Restraint Fines	3,213
Department of Revenue Court Costs	119,571
Crime Victims' Compensation Bureau Costs	18,815
Crime Commission Costs/Victim Witness Services Costs	13,440
Domestic Violence Costs	4,876
Department of Agriculture Fines	4,423
Emergency Medical Service Fines	52,867
CAT/MCARE Fund Surcharges	172,033
Judicial Computer System Fees	60,987
Access to Justice Fees	17,919
Criminal Justice Enhancement Account Fees	4,398
Judicial Computer Project Surcharges	28,688
Constable Service Surcharges	5,838
Miscellaneous State Fines and Costs	<u>113,529</u>
Total receipts (Note 2)	926,723
Disbursements to Commonwealth (Note 3)	<u>(926,723)</u>
Balance due Commonwealth (District Court) per settled reports (Note 4)	-
Examination adjustments	<u>-</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 53-3-02  
LAWRENCE 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	\$ 926,704
Turnpike Commission	<u>19</u>
Total	<u>\$ 926,723</u>

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. The balance also reflects a summary of any receipts disbursed directly to other state agencies.

5. Magisterial District Judge Serving During Examination Period

Jennifer L. Nicholson served at District Court 53-3-02 for the period January 1, 2013 to December 31, 2015.

DISTRICT COURT 53-3-02  
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FINDING AND RECOMMENDATIONS  
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**Finding - Inadequate Arrest Warrant And DL-38 Procedures**

Warrants and Requests For Suspension Of Operating Privileges (DL-38s) are used to enforce the collection of monies on traffic and non-traffic cases in which defendants failed to make payments when required. A Warrant of Arrest (AOPC 417) is used to authorize an official to arrest a defendant, to collect fines and costs from the defendant after a disposition, or to collect collateral for a trial. If the defendant does not respond within ten days to a citation or summons, a Warrant of Arrest may be issued. A Request for Suspension of Driving Privileges for Failure to Respond to a Citation or Summons or Pay Fines and Costs Imposed (AOPC 638A) is used to notify the defendant in writing that his/her license will be suspended if he/she fails to respond to the traffic citation or summons. A DL-38 cannot be issued for a parking violation.

During our testing of warrant procedures, we noted that warrant procedures established by the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) were not always followed. The Magisterial District Judge did not consistently issue warrants when required. We tested 17 instances in which a warrant was required to be issued. Our testing disclosed that 8 were not issued timely and 3 were not issued at all. The time of issuance ranged from 169 days to 1,158 days.

In addition, of 14 warrants required to be returned or recalled, 5 were not returned or recalled, and 3 were not returned timely. The time of issuance to the time of return ranged from 262 days to 597 days.

Furthermore, we tested 11 instances in which a DL-38 was required to be issued. Our testing disclosed that 8 were not issued timely and 1 was not issued at all. The time of issuance ranged from 164 days to 542 days.

The Manual establishes the uniform written internal control policies and procedures for all district courts.

**Warrant Issuance Procedures:** The Manual states that on October 1, 1998, new warrant procedures took effect for summary cases. Amendments were made to Pa.R.Crim.P. 430, 431, 454, 455, 456, 460, 461, and 462. To comply with the new changes, the Notice of Impending Warrant (AOPC A418) was created with the purpose of informing the defendant that failure to pay the amount due or to appear for a Payment Determination Hearing will result in the issuance of an arrest warrant. The defendant is also informed that his/her response must be made within ten days of the date of the notice.



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**Finding - Inadequate Arrest Warrant And DL-38 Procedures (Continued)**

According to Pa.R.Crim.P. 430, a Notice of Impending Warrant may be issued in a post-disposition summary case for any of the following reasons:

- A guilty disposition is recorded and no payment is made or a time payment schedule is not created.
- A guilty disposition is recorded and a previously deposited collateral payment, when applied, does not pay the case balance in full.
- A guilty disposition is recorded and the defendant defaults on a time payment schedule.

According to Pa.R.Crim.P. 430, a warrant SHALL be issued in a summary case for any of the following reasons (a Notice of Impending Warrant is not necessary for the following):

- The defendant has failed to respond to a citation or summons that was served either personally or by certified mail, return receipt requested.
- The citation or summons is returned undeliverable.
- The Magisterial District Judge has reasonable grounds to believe that the defendant will not obey a summons.

**Warrant Return Procedures:** The Manual states that the Administrative Office of Pennsylvania Courts (AOPC) recommends that those in possession of arrest warrants should be notified to return warrants that have not been served. For summary traffic and non-traffic cases, outstanding warrants should be returned to the Magisterial District Judge's office within 120 days of issuance. Returned warrants can either be recorded in the Magisterial District Judge System (MDJS) as unserved, if the defendant is unable to be located; or they can be recalled for reissue, if the server has not exhausted all means of finding the defendant.

**DL-38 Procedures:** The Manual states that once a citation is given to the defendant or a summons is issued, the defendant has ten days to respond. If on the eleventh day, the defendant has not responded, 75 Pa.C.S. §1533 requires that the defendant be notified that he/she has fifteen days from the date of notice to respond to the citation/summons before his/her license is suspended. In accordance with Section 1533 of the Pennsylvania Vehicle Code, the defendant has 15 days to respond to the defendant's copy of the DL-38. If the defendant does not respond by the fifteenth day, the Magisterial District Judge's office shall notify the Pennsylvania Department of Transportation by issuing the appropriate License Suspension Request (AOPC 638B,D,E).

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**Finding - Inadequate Arrest Warrant And DL-38 Procedures (Continued)**

In addition, 75 Pa.C.S. §1533 also requires a post-disposition DL-38 (AOPC 638B/E) be issued if the defendant neglects to pay fines and costs imposed at the time of disposition, or fails to make a scheduled time payment.

The failure to follow warrant and DL-38 procedures could result in uncollected fines and unpunished offenders. Additionally, the risk is increased for funds to be lost or 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 warrants and DL-38s.

**Recommendations**

We recommend that the district court review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommend that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 120 days for summary traffic and non-traffic cases as recommended by the Manual.

**Management's Response**

The Magisterial District Judge responded as follows:

During the audit period, this court had numerous issues preventing us from maintaining the timeliness which we normally demonstrate.

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FINDING AND RECOMMENDATIONS  
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**Finding - Inadequate Arrest Warrant And DL-38 Procedures (Continued)**

**Management's Response (Continued)**

From mid-2014 until the completion of the building, the staff was very involved in the process. Although the county chose this building, it gave minimal assistance in overseeing the renovation and requirements of the court. We drew the floor plan and oversaw much of the renovation, requiring staff to frequently go back and forth between buildings. The staff had to make arrangements for new phone lines and internet. This took considerable time because the renovated court was not within the geographical limits of many providers. There was no phone service at all for approximately two weeks after the move, impeding the staff from performing duties. It was a couple months before we could get internet service that could support video conferencing. A moving company helped with the furniture, but we moved all the electronic equipment. We did all the packing and unpacking.

The renovation was not complete when we moved. Workers still came regularly. The staff's desks had to be moved for carpeting to be installed, rendering the staff unable to perform normal duties for two days. It was not until around March 2015 that most of the move got settled. However, to date work is still being done to this building. The entire process completely disrupted our ability to perform regular duties for a solid nine months.

We also had medical issues that significantly disrupted our time routine:

- A staff member had surgery and was off work from 11/19/13 to 12/10/13, subsequently requiring additional time off work for physical therapy.
- I had an injury and was off work from July 2014 through the end of January 2015. During that time, three senior judges presided, each running the court differently.
- A staff member had surgery and was off work from 2/19/16 - 3/14/16, subsequently requiring additional time off work for physical therapy.
- A staff member had surgery and was off work from 6/16/16 – 9/6/16, subsequently requiring additional time off work for physical therapy. This staff member is the bookkeeper. Other staff had to be trained on bookkeeping prior to her surgery. While she was off, it took them much longer to do the books than it took her, taking time away from their caseloads.

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**Finding - Inadequate Arrest Warrant And DL-38 Procedures (Continued)**

**Management's Response (Continued)**

- Another staff member was off from August 8-22, 2016, for medical issues.

Finally, I have two staff members who get 20 vacation days per year, and two that get 12 days per year. If these days are not taken, they are lost. Although this is a normal part of employment, during these couple years of chaos it was an added stress.

This court carries approximately 5,000 cases per year, 50%-60% of which are traffic. Traffic requires more staff time than any other type of case, as you are aware. It's an ongoing process. As previously mentioned, when we had to prioritize duties due to everything that was happening, older traffic cases became less of a priority.

Since late 2016, the staff has been working diligently to bring all cases to date. They have been working overtime and have made significant progress. They will continue to do what it takes to bring all cases up to date.

I am not denying that the DL-38s and warrants for traffic citations are behind. Please note that it is not due to negligence. We have had a plethora of problems to overcome in the last three years. Since many of the problems have been resolved, the staff has been, and will continue to work to correct the short fallings.

**Auditor's Conclusion**

Although we recognize the district court's explanation of issues and appreciate the efforts to correct the issues, it is imperative that warrants and DL-38s are issued timely to enforce the collection of monies and unserved warrants are returned on a timely basis. During our next examination, we will determine if the office complied with our recommendations.

DISTRICT COURT 53-3-02  
LAWRENCE 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 Jennifer L. Nicholson**  
Magisterial District Judge

**The Honorable Daniel J. Vogler**  
Chairperson of the Board of Commissioners

**The Honorable David Gettings**  
Controller

**Mr. Michael A. Occhibone**  
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).