

COMPLIANCE AUDIT

District Court 12-3-04
Dauphin County, Pennsylvania
For the Period
January 1, 2019 to December 31, 2022

January 2024



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the District Court 12-3-04, Dauphin County, Pennsylvania (District Court), for the period January 1, 2019 to December 31, 2022, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c).

The objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Department of Revenue to allow the Department of Revenue to state and settle the District Court's account. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The District Court is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The District Court is also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

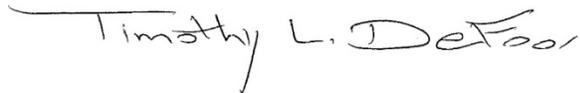
Based on our audit procedures, we conclude that, for the period January 1, 2019 to December 31, 2022, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the findings listed below and discussed later in this report:

- Evidence Of Authorizing The Disposition Of Citations Was Not Available.
- Inadequate Internal Controls Over Manual Receipts.

This report includes a summary of the District Court's receipts and disbursements of funds collected on behalf of the Commonwealth (summary). We obtained data representing the District Court's receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's district courts and used the data to create the summary in the format required by the Department of Revenue. We also evaluated the accuracy of the data as part of our audit to conclude on the District Court's compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Audit Adjustments* line of the summary; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summary.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted. This report is not suitable for any other purposes.

The contents of this report were discussed with the District Court's management. We appreciate the courtesy extended to us by the Dauphin County District Court 12-3-04 during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
January 4, 2024

CONTENTS

	<u>Page</u>
Background.....	1
Summary Of Receipts And Disbursements	2
Findings And Recommendations:	
Finding No. 1 - Evidence of Authorizing the Disposition of Citations Was Not Available	3
Finding No. 2 - Inadequate Internal Controls Over Manual Receipts.....	4
Summary Of Prior Audit Recommendations	5
Report Distribution	6

DISTRICT COURT 12-3-04
DAUPHIN COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

The Department of Auditor General is mandated by Article IV, Section 401(c) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), 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.

District Court 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.

Total disbursements during the audit period are as follows:

District Court checks issued to:

Department of Revenue	<u>\$ 1,410,748</u>
-----------------------	---------------------

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue. It does not reflect adjustments disclosed by our audit.

Dominic A. Pelino served at District Court 12-3-04 for the period January 1, 2019 to December 31, 2022.

The summary of receipts and disbursements on the following page 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 summary 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.

Audit Adjustment

The \$20,529 audit adjustment represents a balance due the district court from the prior audit period January 1, 2016 to December 31, 2018 that was received on November 30, 2019.

DISTRICT COURT 12-3-04
 DAUPHIN COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2019 TO DECEMBER 31, 2022

Receipts:

Department of Transportation		
Title 75 Fines	\$	257,214
Motor Carrier Road Tax Fines		100
Overweight Fines		615
Commercial Driver Fines		1,000
Littering Law Fines		879
Child Restraint Fines		1,033
Department of Revenue Court Costs		193,529
Crime Victims' Compensation Bureau Costs		29,290
Crime Commission Costs/Victim Witness Services Costs		18,782
Domestic Violence Costs		6,806
Department of Agriculture Fines		200
Emergency Medical Service Fines		110,758
CAT/MCARE Fund Surcharges		215,514
Judicial Computer System Fees		85,097
Access to Justice Fees		47,536
Criminal Justice Enhancement Account Fees		6,493
Judicial Computer Project Surcharges		133,454
Constable Service Surcharges		6,915
Miscellaneous State Fines and Costs		<u>275,004</u>
 Total receipts		 1,390,219
 Disbursements to Commonwealth		 <u>(1,410,748)</u>
 Balance due Commonwealth (District Court) per settled reports		 (20,529)
 Audit adjustments		 <u>20,529</u>
 Adjusted balance due Commonwealth (District Court) for the period January 1, 2019 to December 31, 2022		 <u><u>\$ -</u></u>

DISTRICT COURT 12-3-04
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

Finding No. 1 - Evidence of Authorizing the Disposition of Citations Was Not Available

During our audit of the district court's case files, we tested 55 cases that had a disposition of a guilty plea without an accompanying full payment or with dispositions of not guilty, dismissed, discharged, or withdrawn. There was no evidence in 25 cases that the disposition was authorized by the Magisterial District Judge (MDJ).

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 of unauthorized dispositions and the potential for funds to be lost or misappropriated.

Adherence to good internal controls, which include the authorized signature of the Magisterial District Judge, would have ensured that there were adequate internal controls over citations.

This condition existed because the office failed to establish and implement an adequate system of internal controls over documenting that the disposition was authorized by the Magisterial District Judge. The Court stated that it is a very busy office and therefore, they did not always ensure electronically filed citations had evidence of the MDJ authorizing the disposition.

Recommendation

We recommend that the district court maintain documentation that the Magisterial District Judge authorized the disposition of these cases and it is available for audit.

Management Response

No formal response was offered at this time.

Auditor's Conclusion

During our next audit, we will determine if the district court complied with our recommendation.

DISTRICT COURT 12-3-04
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

Finding No. 2 - Inadequate Internal Controls Over Manual Receipts

The Administrative Office of Pennsylvania Courts' (AOPC) policies require computer downtime manual receipts to be issued only in the event of a temporary power loss to the district court's computer system. When the computer system is operating again, the computer downtime manual receipt should be replaced by an official computer-generated receipt and included in the daily receipts.

Our audit of the district court disclosed that there were 41 computer downtime manual receipts and the corresponding manual receipt log that could not be located and were unavailable for our audit. In addition, we noted that the manual receipt number was not entered into the correct field in the computer system for either of the two receipts tested. Instead of putting the manual receipt number into the correct field in the system, the manual receipt number was entered into the comments section of the computer receipt.

Good internal accounting controls and the uniform internal control policies and procedures require that manual receipts and the corresponding receipt log are accounted for and maintained and that all manual receipt numbers are entered in the manual receipt number field on the computer receipt when the corresponding computer receipts are generated.

The District Court stated the manual receipts and logs were misplaced and could not be located. Also, they stated that the errors regarding the completion of manual receipts and their corresponding computer-generated receipts are due to oversight and the court not using manual receipts regularly.

When the AOPC's policies are not followed, the possibility that funds received by the District Court could be lost or misappropriated increases significantly.

Recommendation

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

Management Response

No formal response was offered at this time.

Auditor's Conclusion

During our next audit, we will determine if the district court complied with our recommendation.

DISTRICT COURT 12-3-04
DAUPHIN COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

Summary Of Prior Audit Recommendations

During our prior audit, we recommended that the district court:

- Reconcile the checking account at the end of each month. We further recommended that the office escheat any checks that are outstanding for over 180 days.
- Review the tickler reports for warrants daily and take appropriate action as required by the Manual. We further recommended 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.

During our current audit, we noted that the district court complied with our recommendations.

DISTRICT COURT 12-3-04
DAUPHIN COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

This report was initially distributed to:

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue

The Honorable Andrea Tuominen
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Dominic A. Pelino
Magisterial District Judge

The Honorable Mike Pries
Chairperson of the Board of Commissioners

The Honorable Mary Bateman
Controller

Ms. Deborah S. Freeman Esq.
District Court Administrator

This report is a matter of public record and is available online at 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.