

# COMPLIANCE AUDIT

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District Court 15-3-04  
Chester County, Pennsylvania  
For the Period  
January 1, 2018 to December 31, 2021

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March 2023



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

Pat Browne  
Acting Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have conducted a compliance audit of the District Court 15-3-04, Chester County, Pennsylvania (District Court), for the period January 1, 2018 to December 31, 2021 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, 2018 to December 31, 2021, 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 finding listed below and discussed later in this report:

- Receipts Were Not Always Deposited On The Same Day As Collected.

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 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. This report is not suitable for any other purposes.

The contents of this report were discussed with the management of the district court. We appreciate the courtesy extended by the District Court 15-3-04, Chester County, to us 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 name.

Timothy L. DeFoor  
Auditor General  
February 9, 2023

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DISTRICT COURT 15-3-04  
CHESTER COUNTY  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

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 comprised as follows:

District Court checks issued to:

Department of Revenue	<u>\$ 1,938,174</u>
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This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

Albert M. Iacocca served at District Court 15-3-04 for the period January 1, 2018 to December 31, 2021.

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.

DISTRICT COURT 15-3-04  
 CHESTER COUNTY  
 SUMMARY OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Department of Transportation		
Title 75 Fines	\$	464,524
Motor Carrier Road Tax Fines		288
Overweight Fines		6,050
Commercial Driver Fines		2,999
Littering Law Fines		1,025
Child Restraint Fines		2,182
Department of Revenue Court Costs		260,932
Crime Victims' Compensation Bureau Costs		29,182
Crime Commission Costs/Victim Witness Services Costs		20,844
Domestic Violence Costs		7,673
Department of Agriculture Fines		600
Emergency Medical Service Fines		144,754
CAT/MCARE Fund Surcharges		441,431
Judicial Computer System Fees		119,185
Access to Justice Fees		62,511
Criminal Justice Enhancement Account Fees		4,367
Judicial Computer Project Surcharges		166,489
Constable Service Surcharges		10,695
Miscellaneous State Fines and Costs		<u>192,443</u>
 Total receipts		 1,938,174
 Disbursements to Commonwealth		 <u>(1,938,174)</u>
 Balance due Commonwealth (District Court) per settled reports		 -
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (District Court) for the period January 1, 2018 to December 31, 2021	 \$	 <u><u>-</u></u>

DISTRICT COURT 15-3-04  
CHESTER COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

**Finding - Receipts Were Not Always Deposited On The Same Day As Collected**

Our audit disclosed that receipts were not always deposited on the same day as collected. Of 60 receipts tested, 16 were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit ranged from 1 day to 4 days.

There were an additional 13 days in which a significant amount of cash was held overnight in the office after the books were closed and deposited the next business day. The amount of cash held overnight ranged from \$536.00 to \$1,638.54.

Good internal accounting controls require that all monies collected be deposited in the bank at the end of every day. The *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) establishes the uniform written internal control policies and procedures for all district courts. The Manual requires that:

All money, including partial payments received by the Magisterial District Judge office (e.g. cash, checks, and money orders), must be deposited in the bank at the end of every business day. A bank night depository may be used by all (night) courts as well as by any court that cannot get to the bank during banking hours. Money should not be taken home, left in the office overnight, or unattended. The Daily Cash Balancing procedure must be completed every day.

Without a good system of internal control over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

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 collections.

This condition existed because the district court failed to establish and implement an adequate system of internal controls over receipts. The office staff stated that they were not making a daily deposits because the bank was too crowded.

**Recommendation**

We recommend that the district court deposit all receipts at the end of each day as required by good internal accounting controls and the Manual.

DISTRICT COURT 15-3-04  
CHESTER COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

**Finding - Receipts Were Not Always Deposited On The Same Day As Collected (Continued)**

Management's Response

The Magisterial District Judge responded as follows:

All issues found in the audit have been corrected and no funds were ever missing or unaccounted for.

Auditor's Conclusion

We appreciate the officeholder's efforts to correct this issue. It is imperative that receipts be deposited on a timely basis to prevent the increased potential for funds to be lost, stolen, or misappropriated. During our next audit, we will determine if the district court complied with our recommendation.



DISTRICT COURT 15-3-04  
CHESTER COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

**Pat Browne**  
Acting Secretary  
Pennsylvania Department of Revenue

**The Honorable H. Geoffrey Moulton, Jr.**  
Court Administrator of Pennsylvania  
Supreme Court of Pennsylvania  
Administrative Office of Pennsylvania Courts

**The Honorable Albert M. Iacocca**  
Magisterial District Judge

**The Honorable Marian Moskowitz**  
Chairperson of the Board of Commissioners

**The Honorable Margaret M. Reif**  
Controller

**Ms. Patricia L. Norwood-Foden**  
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).