



**DISTRICT COURT 19-3-07  
YORK COUNTY  
EXAMINATION REPORT  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011**

**COMMONWEALTH OF PENNSYLVANIA**

**EUGENE A. DEPASQUALE - AUDITOR GENERAL**

**DEPARTMENT OF THE AUDITOR GENERAL**



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

### Independent Auditor's Report

The Honorable Daniel P. Meuser  
Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 19-3-07, York County, Pennsylvania (District Court), for the period January 1, 2008 to December 31, 2011, 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*.

### Independent Auditor's Report (Continued)

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, 2008 to December 31, 2011, 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. We consider the deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statement:

- Inadequate Internal Controls Over Receipts.

Independent Auditor's Report (Continued)

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 the internal control over reporting on the Statement would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the significant deficiency described above to be a material weakness.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in black ink, appearing to read "John M. Lori", with a long horizontal flourish extending to the right.

May 8, 2013

**JOHN M. LORI**  
Deputy Auditor General for Audits

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DISTRICT COURT 19-3-07  
YORK COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

Receipts:

Department of Transportation		
Title 75 Fines	\$	409,042
Motor Carrier Road Tax Fines		1,675
Overweight Fines		113
Littering Law Fines		1,109
Child Restraint Fines		1,323
Department of Revenue Court Costs		383,658
Crime Victims' Compensation Bureau Costs		69,340
Crime Commission Costs/Victim Witness Services Costs		49,531
Domestic Violence Costs		14,148
Department of Agriculture Fines		4,302
Emergency Medical Service Fines		148,211
CAT/MCARE Fund Surcharges		480,088
Judicial Computer System Fees		176,872
Access to Justice Fees		47,369
Criminal Justice Enhancement Account Fees		7,183
Judicial Computer Project Surcharges		32,656
Constable Service Surcharges		26,610
Miscellaneous State Fines		23,092
		<hr/>
Total receipts (Note 2)		1,876,322
Disbursements to Commonwealth (Note 3)		<hr/> (1,876,322)
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments (Exhibit 1)		<hr/> 200
Adjusted balance due Commonwealth (District Court) for the period January 1, 2008 to December 31, 2011	\$	<hr/> <hr/> 200

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

DISTRICT COURT 19-3-07  
YORK COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

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	\$ 1,876,322
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2008 To December 31, 2011

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue. It does not reflect adjustments disclosed by our examination. Refer to Exhibit 1.

5. Magisterial District Judge Serving During Examination Period

Gerald Shoemaker served at District Court 19-3-07 for the period January 1, 2008 to December 31, 2011.

DISTRICT COURT 19-3-07  
YORK COUNTY  
EXHIBIT 1  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments

<u>Month</u>	<u>Day</u>	<u>Year</u>	<u>Examination Adjustments</u>	<u>Explanation</u>
Dec		2011	\$ 200	Fine for hunting in safety zone incorrectly entered as local ordinance.



DISTRICT COURT 19-3-07  
YORK COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

Finding - Inadequate Internal Controls Over Receipts

Our examination of the district court's accounting records disclosed the following deficiencies in internal controls over receipts.

- Of 60 deposits tested, 19 were not deposited the same day as collected. The deposits were held overnight in a locked safe and were deposited the next business day.
- Excessive cash was held overnight. Of 15 deposits tested in 2011, 11 deposits had cash collections in excess of \$500 held overnight.
- The office copy of the bank deposit slip was not validated by the bank in 48 of the 60 deposits tested.
- Deposits slips were not initialed or dated by the person preparing the reconciliation.

A good system of internal controls ensures that:

- All monies collected are deposited intact at the bank on the same day as collected.
- The amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit slip should be brought to the bank to be validated.
- Deposit slips are initialed and dated by the person performing the reconciliation.

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

These conditions existed because the district court failed to establish an adequate system of internal controls over its receipts.

Recommendation

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

DISTRICT COURT 19-3-07  
YORK COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
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Finding - Inadequate Internal Controls Over Receipts (Continued)

Management's Response

The Magisterial District Judge responded as follows:

Monies are now deposited the same day as collected. Deposit slips show the breakdown of cash and checks and are validated. Office procedures have been changed, modified or corrected to address the remedy the other area concerns as noted in the comments.

Auditor's Conclusion

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

DISTRICT COURT 19-3-07  
YORK COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

This report was initially distributed to:

The Honorable Daniel P. Meuser  
Secretary  
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines  
Court Administrator of Pennsylvania  
Supreme Court of Pennsylvania  
Administrative Office of Pennsylvania Courts

The Honorable David C. Eshbach	Magisterial District Judge
The Honorable Steve Chronister	Chairperson of the Board of Commissioners
The Honorable Robb P. Green	Controller
Mr. Paul O. Crouse	District Court Administrator

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: [news@auditorgen.state.pa.us](mailto:news@auditorgen.state.pa.us).