

COMPLIANCE AUDIT

District Court 23-1-03
Berks County, Pennsylvania
For the Period
January 1, 2018 to December 31, 2021

January 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the District Court 23-1-03, Berks 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.

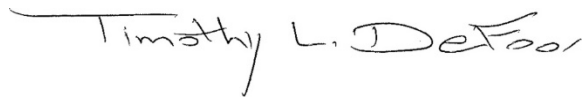
Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report:

- Missing Case Files.

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 management of the District Court and, where appropriate, their response has been included in the report. We appreciate the courtesy extended by the District Court 23-1-03, Berks 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 letter.

Timothy L. DeFoor
Auditor General
December 15, 2022

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DISTRICT COURT 23-1-03
BERKS 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>\$ 739,333</u>
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This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

Kyley L. Scott served at District Court 23-1-03 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.

Audit Adjustment

The \$10,496 audit adjustment represents a \$2,427 balance due Revenue from the prior audit period January 1, 2010 to December 31, 2013 paid in July 2019, and an \$8,069 check written to Revenue in November 2017 that was voided and reissued in January 2018.

DISTRICT COURT 23-1-03
 BERKS COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Department of Transportation		
Title 75 Fines	\$	110,306
Littering Law Fines		294
Child Restraint Fines		1,516
Department of Revenue Court Costs		177,817
Crime Victims' Compensation Bureau Costs		15,258
Crime Commission Costs/Victim Witness Services Costs		10,912
Domestic Violence Costs		3,523
Department of Agriculture Fines		132
Emergency Medical Service Fines		25,069
CAT/MCARE Fund Surcharges		87,788
Judicial Computer System Fees		58,686
Access to Justice Fees		35,859
Criminal Justice Enhancement Account Fees		11,832
Judicial Computer Project Surcharges		124,220
Constable Service Surcharges		24,403
Miscellaneous State Fines and Costs		41,222
		<hr/>
Total receipts		728,837
Disbursements to Commonwealth		<hr/> (739,333)
Balance due Commonwealth (District Court) per settled reports		(10,496)
Audit adjustments		<hr/> 10,496
Adjusted balance due Commonwealth (District Court) for the period January 1, 2018 to December 31, 2021	\$	<hr/> <hr/> -

DISTRICT COURT 23-1-03
BERKS COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding - Missing Case Files

Our audit of the district court required that certain case files be audited. We encountered considerable difficulty in finding a number of case files. There were 19 out of 125 case files needed for testing that could not be located.

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 and destruction procedures for all district courts to follow.

The failure to follow these guidelines could result in case file documents being lost, misfiled, or intentionally destroyed. 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.

Office staff stated that this condition existed because the cases in question were mistakenly included in a record destruction of previously audited non-permanent records.

Recommendations

We recommend that the district court initiate procedures to ensure that all cases are properly filed and contain appropriate documents as outlined in the Manual. We further recommend that the district court not destroy case files until after they have been subject to audit by the Department of the Auditor General.

Management's Response

The Magisterial District Judge responded as follows:

The missing case files were mistakenly destroyed in February of 2022.

Auditor's Conclusion

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

DISTRICT COURT 23-1-03
BERKS COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

The Honorable C. Daniel Hassell
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 Kyley L. Scott
Magisterial District Judge

The Honorable Christian Y. Leinbach
Chairperson of the Board of Commissioners

The Honorable Sandy Graffius
Controller

Ms. Julia Bagnoni
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.