

COMPLIANCE AUDIT

District Court 24-1-03
Blair County, Pennsylvania
For the Period
January 1, 2017 to December 31, 2020

March 2022



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 24-1-03, Blair County, Pennsylvania (District Court), for the period January 1, 2017 to December 31, 2020, 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.

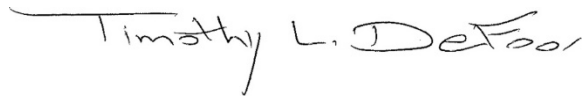
Based on our audit procedures, we conclude that, for the period January 1, 2017 to December 31, 2020, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the findings listed below and discussed later in this report:

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

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 24-1-03, Blair 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
January 27, 2022

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DISTRICT COURT 24-1-03
BLAIR COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

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	\$ 821,608
Department of Labor and Industry	<u>808</u>
Total	<u><u>\$ 822,416</u></u>

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.

Jeffrey P. Auker served at District Court 24-1-03 for the period January 1, 2017 to December 31, 2017.

Daniel C. DeAntonio served at District Court 24-1-03 for the period January 1, 2018 to December 31, 2020.

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 24-1-03
 BLAIR COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2017 TO DECEMBER 31, 2020

Receipts:

Department of Transportation		
Title 75 Fines	\$	94,968
Motor Carrier Road Tax Fines		150
Child Restraint Fines		803
Department of Revenue Court Costs		167,453
Crime Victims' Compensation Bureau Costs		26,979
Crime Commission Costs/Victim Witness Services Costs		19,114
Domestic Violence Costs		6,611
Department of Agriculture Fines		100
Emergency Medical Service Fines		35,495
CAT/MCARE Fund Surcharges		95,141
Judicial Computer System Fees		64,827
Access to Justice Fees		33,092
Criminal Justice Enhancement Account Fees		9,195
Judicial Computer Project Surcharges		101,079
Constable Service Surcharges		13,545
Miscellaneous State Fines and Costs		<u>153,864</u>
 Total receipts		 822,416
 Disbursements to Commonwealth		 <u>(822,416)</u>
 Balance due Commonwealth (District Court) per settled reports		 -
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (District Court) for the period January 1, 2017 to December 31, 2020	\$	 <u><u>-</u></u>

DISTRICT COURT 24-1-03
BLAIR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts

The Administrative Office of Pennsylvania Courts' (AOPC) policies require computer downtime manual receipts to be issued 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 is replaced by an official computer-generated receipt and included in the daily receipts. When the AOPC's policies are not followed, the possibility that funds received by the District Court could be lost or misappropriated increases significantly.

Our audit disclosed that required computer downtime manual receipt procedures were not always followed. Of eight receipts tested, we noted the following:

- There were four computer downtime manual receipts that could not be located and were not available for our audit.
- The date issued, source, method of payment and remitter's name was not recorded on four computer downtime manual receipts.
- The docket number for two computer downtime manual receipts was not recorded on the downtime manual receipts log.
- There were two instances in which the computer downtime manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.

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 downtime manual receipts be issued in the event of a temporary power loss to the computer system. When the computer system is not operational, the receipt and log sheet should be filled out for each receipt number and the initials of the employee receiving the payment should be documented on the log sheet. The receipts should be used in numerical order; the log sheet should be filled out using the appropriate receipt number; a copy of that receipt should be given to the remitter; and the second copy of the receipt should be kept, along with the associated log, in a secure location. When the computer system is running again, the second copy of the receipt should be attached to the new system-generated receipt and placed in the case file and the date the payment was entered into the system should be documented on the log sheet. Additionally, the Manual requires that when a manual receipt number is issued, the manual receipt number should be entered in the manual receipt number field when creating the computer receipt. This will link the manual receipt to the computer receipt.

DISTRICT COURT 24-1-03
BLAIR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts (Continued)

Good internal accounting controls ensure that:

- Computer downtime manual receipts are accounted for and maintained.
- All required information is recorded on the computer downtime manual receipt, including date issued, date filed, and citation number, signature of the person receiving the payment, remitter name, docket number, payment source, and payment method.
- All required docket information is recorded on the computer downtime manual receipts log sheet.
- Computer downtime manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.

Adherence to good internal accounting controls and the uniform internal control policies and procedures, as set forth in the Manual, would have ensured that there were adequate internal controls over collections.

These conditions existed because the district court failed to establish and implement an adequate system of internal controls over computer downtime manual receipts.

Recommendation

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

Managements Response

No formal response was offered at this time.

Auditor's Conclusion

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

DISTRICT COURT 24-1-03
BLAIR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 2 - Evidence Of Authorizing The Disposition Of Citations Was Not Available

During our audit of the district court's case files, we tested 61 cases with either dispositions of not guilty, dismissed, discharged, or withdrawn, or that had a guilty plea disposition without an accompanying full payment. There was no evidence in 11 cases that the disposition was authorized by the Magisterial District Judge.

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 for funds to be lost or misappropriated.

Adherence to good internal controls 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.

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.

Managements Response

No formal response was offered at this time.

Auditor's Conclusion

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

DISTRICT COURT 24-1-03
BLAIR COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Summary Of Prior Audit Recommendations

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

- Establish and implement a procedure whereby outstanding checks are reviewed monthly to determine if there are any long outstanding checks. The court should reinstate the amount of outstanding checks to the court's checking account and remit this money to the county treasurer for deposit into an escheat account. We further recommended that the district court comply with the procedures outlined in the Manual relating to outstanding check procedures.

- Review the tickler reports for warrants and DL-38s 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 24-1-03
BLAIR COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

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 Daniel C. DeAntonio
Magisterial District Judge

The Honorable Bruce R. Erb
Chairperson of the Board of Commissioners

The Honorable A.C. Stickel IV
Controller

Ms. Janice Meadows
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.