

COMPLIANCE AUDIT

District Court 32-2-44
Delaware County, Pennsylvania
For the Period
January 1, 2017 to December 31, 2020

October 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 32-2-44, Delaware 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.

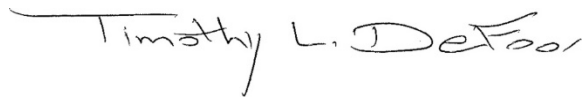
Based on our audit procedures, we conclude that, for the period January 1, 2017 to December 31, 2020, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly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

- Inadequate Arrest Warrant And DL-38 Procedures - Recurring.
- Inadequate Stale Check Procedures.

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 32-2-44, Delaware 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
August 24, 2022

CONTENTS

	<u>Page</u>
Background.....	1
Summary Of Receipts And Disbursements	2
Findings And Recommendations:	
Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring	3
Finding No. 2 - Inadequate Stale Check Procedures	6
Summary Of Prior Audit Recommendations	8
Report Distribution	9

DISTRICT COURT 32-2-44
DELAWARE 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	<u>\$ 1,293,260</u>
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This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

Jack D. Lippart served at District Court 32-2-44 for the period January 1, 2017 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 32-2-44
 DELAWARE COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2017 TO DECEMBER 31, 2020

Receipts:

Department of Transportation		
Title 75 Fines	\$	180,587
Motor Carrier Road Tax Fines		650
Overweight Fines		7,395
Commercial Driver Fines		15,638
Littering Law Fines		232
Child Restraint Fines		825
Department of Revenue Court Costs		199,332
Crime Victims' Compensation Bureau Costs		22,876
Crime Commission Costs/Victim Witness Services Costs		16,374
Domestic Violence Costs		5,978
Emergency Medical Service Fines		66,246
CAT/MCARE Fund Surcharges		187,974
Judicial Computer System Fees		86,373
Access to Justice Fees		40,535
Criminal Justice Enhancement Account Fees		6,528
Judicial Computer Project Surcharges		108,326
Constable Service Surcharges		18,233
Miscellaneous State Fines and Costs		<u>329,158</u>
 Total receipts		 1,293,260
 Disbursements to Commonwealth		 <u>(1,293,260)</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 32-2-44
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring

We cited the issue of inadequate arrest warrant and DL-38 procedures in the prior audit for the period January 1, 2013 to December 31, 2016. Our current audit found that the office did not correct this issue.

Warrants and Requests For Suspension Of Operating Privileges (DL-38s) are used to enforce the collection of monies on traffic and non-traffic cases in which defendants failed to make payments when required. A Warrant of Arrest (AOPC 417) is used to authorize an official to arrest a defendant, to collect fines and costs from the defendant after a disposition, or to collect collateral for a trial. If the defendant does not respond within ten days to a citation or summons, a Warrant of Arrest may be issued. A Request for Suspension of Driving Privileges for Failure to Respond to a Citation or Summons or Pay Fines and Costs Imposed (AOPC 638A) is used to notify the defendant in writing that his/her license will be suspended if he/she fails to respond to the traffic citation or summons. A DL-38 cannot be issued for a parking violation.

During our testing of warrant procedures, we noted that warrant procedures established by the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) were not always followed. The Magisterial District Judge did not consistently issue warrants when required. We tested 41 instances in which a warrant was required to be issued. Our testing disclosed that 11 were not issued timely and 21 were not issued at all. The time of issuance ranged from 65 days to 585 days.

In addition, of 20 warrants required to be returned or recalled, seven were not returned or recalled, and seven were not returned timely. The time of issuance to the time of return ranged from 297 days to 1,721 days.

Furthermore, we tested 16 instances in which a DL-38 was required to be issued. Our testing disclosed that 13 were not issued timely and one was not issued at all. The time of issuance ranged from 68 days to 585 days.

The Manual establishes the uniform written internal control policies and procedures for all district courts.

Warrant Issuance Procedures: The Manual states that on October 1, 1998, new warrant procedures took effect for summary cases. Amendments were made to Pa.R.Crim.P. 430, 431, 454, 455, 456, 460, 461, and 462. To comply with the new changes, the Notice of Impending Warrant (AOPC A418) was created with the purpose of informing the defendant that failure to pay the amount due or to appear for a Payment Determination Hearing will result in the issuance of an arrest warrant. The defendant is also informed that his/her response must be made within ten days of the date of the notice.

DISTRICT COURT 32-2-44
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

According to Pa.R.Crim.P. 430, a Notice of Impending Warrant may be issued in a post-disposition summary case for any of the following reasons:

- A guilty disposition is recorded, and no payment is made, or a time payment schedule is not created.
- A guilty disposition is recorded and a previously deposited collateral payment, when applied, does not pay the case balance in full.
- A guilty disposition is recorded and the defendant defaults on a time payment schedule.

According to Pa.R.Crim.P. 430, a warrant SHALL be issued in a summary case for any of the following reasons (a Notice of Impending Warrant is not necessary for the following):

- The defendant has failed to respond to a citation or summons that was served either personally or by certified mail, return receipt requested.
- The citation or summons is returned undeliverable.
- The Magisterial District Judge has reasonable grounds to believe that the defendant will not obey a summons.

Warrant Return Procedures: The Manual states that the Administrative Office of Pennsylvania Courts (AOPC) recommends that those in possession of arrest warrants should be notified to return warrants that have not been served. For summary traffic and non-traffic cases, outstanding warrants should be returned to the Magisterial District Judge's office within 120 days of issuance. Returned warrants can either be recorded in the Magisterial District Judge System (MDJS) as unserved, if the defendant is unable to be located; or they can be recalled for reissue, if the server has not exhausted all means of finding the defendant.

DL-38 Procedures: The Manual states that once a citation is given to the defendant or a summons is issued, the defendant has ten days to respond. If on the eleventh day, the defendant has not responded, 75 Pa.C.S. §1533 requires that the defendant be notified that he/she has 15 days from the date of notice to respond to the citation/summons before his/her license is suspended. In accordance with Section 1533 of the Pennsylvania Vehicle Code, the defendant has 15 days to respond to the defendant's copy of the DL-38. If the defendant does not respond by the fifteenth day, the Magisterial District Judge's office shall notify the Pennsylvania Department of Transportation by issuing the appropriate License Suspension Request (AOPC 638B,D,E).

DISTRICT COURT 32-2-44
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

In addition, 75 Pa.C.S. §1533 also requires a post-disposition DL-38 (AOPC 638B/E) be issued if the defendant neglects to pay fines and costs imposed at the time of disposition or fails to make a scheduled time payment.

The failure to follow warrant and DL-38 procedures could result in uncollected fines and unpunished offenders. Additionally, the risk is increased for funds to be lost or misappropriated.

These conditions existed because the district court has been short staffed and failed to review the tickler reports and warrant control reports for warrants issuances and returns as recommended in the prior audit. 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 warrants.

Recommendations

We strongly recommend that the district court review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommend 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.

Management's Response

The Magisterial District Judge responded as follows:

In order to address any issues and ensure timely issuance in the future, the Court Coordinator will regularly monitor all reports and the Regional Assistant Administrators will routinely monitor the progress and assist in correcting any problems.

I would also like to note that ten months of the audit period included the beginning of the COVID-19 pandemic. During those several months most of the Magisterial Court Staff was furloughed and we did incur backlogs in practically every aspect of the court functions. My staff has been working diligently to resolve these backlogs and truly hope to have them all resolved soon.

DISTRICT COURT 32-2-44
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

Auditor's Conclusion

We would like to note that we excluded any exceptions that occurred after March 2020. This is a recurring finding. Although we recognize the district court's concerns about staffing, it is imperative that warrants are issued timely to enforce the collection of monies. During our next audit, we will determine if the district court complied with our recommendations.

Finding No. 2 - Inadequate Stale Check Procedures

Our audit of the court's checking account disclosed that the district court was carrying 48 stale dated checks totaling \$3,689.83. The time lapse ranged from 296 days to 745 days.

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 if a check issued by the Magisterial District Judge is outstanding (not cashed) after 60 days, the check must be marked stale. The court should first make an attempt to contact the recipient of the check. Only checks that are 60 days old or older can be marked stale. The amount of the check should be reinstated (added) to the district court checking account and remitted at the end of the month to the county treasurer for deposit into an escheat account.

The failure to follow these procedures results in a weakening of internal control over the cash account and inefficiency caused by the needless record-keeping of long outstanding checks. The court staff stated that the bank cashes checks long after voided date stamp and therefore, the court held them longer to avoid bookkeeping issues.

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 outstanding checks.

Recommendations

We recommend 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.

DISTRICT COURT 32-2-44
DELAWARE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2017 TO DECEMBER 31, 2020

Finding No. 2 - Inadequate Stale Check Procedures (Continued)

Management's Response

The Magisterial District Judge responded as follows:

The Coordinator will more regularly review the outstanding checks and attempt to contact the recipients. If any checks remain outstanding, they will be timely voided stale in the MDJS. The Regional Assistant will monitor and provide assistance, if needed.

I would also like to note that ten months of the audit period included the beginning of the COVID-19 pandemic. During those several months, most of the Magisterial Court Staff was furloughed and we did incur backlogs in practically every aspect of the court functions. My staff has been working diligently to resolve these backlogs and truly hope to have them all resolved soon.

Auditor's Conclusion

We appreciate the court's efforts to correct this issue. Once again, we would like to note that we excluded any exceptions that occurred after March 2020. During our next audit, we will determine if the district court complied with our recommendations.

DISTRICT COURT 32-2-44
DELAWARE 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:

- Review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommended the court review warrant control reports and notify police or other officials to return warrants that are unserved for 60 days (120 days as of December 2016) for summary cases and non-traffic cases as recommended by the Manual.

Our current audit found that the district court did not comply with our recommendations. Please see current year Finding No. 1 for additional information.

DISTRICT COURT 32-2-44
DELAWARE 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 Stacy Garrity
Pennsylvania State Treasurer

The Honorable Jack D. Lippart
Magisterial District Judge

The Honorable Monica Taylor
Chairperson of County Council

The Honorable Joanne Phillips
Controller

Mr. Gerald C. Montella
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.