

# COMPLIANCE AUDIT

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## District Court 51-3-02 Adams 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 51-3-02, Adams 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.

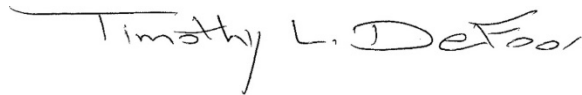
Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the 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 51-3-02, Adams 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, flowing style.

Timothy L. DeFoor  
Auditor General  
February 9, 2023

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DISTRICT COURT 51-3-02  
ADAMS 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>1,700,779</u>
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This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

Daniel S. Bowman served at District Court 51-3-02 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 51-3-02  
ADAMS COUNTY  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Department of Transportation	
Title 75 Fines	\$ 420,647
Motor Carrier Road Tax Fines	2,694
Commercial Driver Fines	1,000
Littering Law Fines	591
Child Restraint Fines	2,246
Department of Revenue Court Costs	257,626
Crime Victims' Compensation Bureau Costs	20,961
Crime Commission Costs/Victim Witness Services Costs	14,993
Domestic Violence Costs	5,513
Department of Agriculture Fines	15,490
Emergency Medical Service Fines	107,260
CAT/MCARE Fund Surcharges	304,036
Judicial Computer System Fees	110,063
Access to Justice Fees	61,973
Criminal Justice Enhancement Account Fees	10,101
Judicial Computer Project Surcharges	179,708
Constable Service Surcharges	10,859
Miscellaneous State Fines and Costs	<u>175,018</u>
 Total receipts	 1,700,779
 Disbursements to Commonwealth	 <u>(1,700,779)</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 51-3-02  
ADAMS COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

**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.

Our audit disclosed that required computer downtime manual receipt procedures were not always followed. The office printed 20 blank computer downtime manual receipts that could not be located and were not available for review.

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.

Good internal accounting controls ensure that computer downtime manual receipts are accounted for and maintained.

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 computer downtime manual receipts.

Court staff stated that the computer downtime manual receipts were misplaced and could not be found.

DISTRICT COURT 51-3-02  
ADAMS COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

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

Recommendation

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

Management's Response

The Magisterial District Judge responded as follows:

After exhaustive searching, we are unable to locate these unissued manual receipts. We have therefore initiated conversation with the Administrative Office of Pennsylvania Courts to ensure these unlocated manual receipts are considered void and not permitted to be used, in the event they resurface.

Auditor's Conclusion

As cited above, good internal controls ensure that all computer downtime manual receipts are accounted for and maintained. During our next audit, we will determine if the district court has complied with our recommendation.



DISTRICT COURT 51-3-02  
ADAMS COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

**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 65 cases with dispositions of not guilty, dismissed, discharged, or withdrawn, and cases that had a guilty plea disposition without an accompanying full payment. There was no evidence in 27 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 were 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.

Court staff stated that the 27 cases were an oversight and missed when filing paperwork. Also, court staff said they would not give traffic citations that had a guilty plea or were not paid-in-full to the Magisterial District Judge for signature, and would have required a certification of disposition.

**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.

**Management's Response**

The Magisterial District Judge responded as follows:

We do not dispute the finding. We do ask that you note for this report the Magisterial District Judge who held office during the time of this audit, previous MDJ, was contacted after the exit interview and asked to review the cases in question. After review, he is indicating that he did in fact authorize the disposition of all 27 cases.

**Auditor's Conclusion**

During our testing, there was no evidence that the Magisterial District Judge authorized the disposition in the 27 cases in question. Without the signed/authorized certification of dispositions, the possibility that funds are lost or misappropriated increases. During our next audit, we will determine if the district court has complied with our recommendation.

DISTRICT COURT 51-3-02  
ADAMS COUNTY  
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2018 TO DECEMBER 31, 2021

Summary Of Prior Audit Recommendations

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

- Secure the bank's validation, including the mix of cash and checks, on the court's copy of the deposit slip. We further recommended that the validation is reconciled to receipts by someone other than the person preparing or making the deposit.

During our current audit, we noted that the district court complied with our recommendations.

DISTRICT COURT 51-3-02  
ADAMS 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 Christopher A. Snyder**  
Magisterial District Judge

**The Honorable Randy L. Phiel**  
Chairperson of the Board of Commissioners

**The Honorable John Phillips**  
Controller

**Mr. Donald A. Fennimore**  
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).