



**DISTRICT COURT 09-3-01
CUMBERLAND COUNTY
EXAMINATION REPORT
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012**

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen

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 09-3-01, Cumberland County, Pennsylvania (District Court), for the period January 1, 2008 to December 31, 2012, 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, 2012, 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 deficiencies described in the findings below to be significant deficiencies in internal control over the reporting on the Statement:

- Failure To Follow The *Supreme Court Of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention & Disposition Schedule With Guidelines* Procedures.

- Bank Deposit Slips Were Not Validated.

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 all the significant deficiencies described above to be material weaknesses.

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

Independent Auditor's Report (Continued)

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 "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke at the end.

December 11, 2013

EUGENE A. DEPASQUALE
Auditor General

DISTRICT COURT 09-3-01
 CUMBERLAND COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2008 TO DECEMBER 31, 2012

Receipts:

Department of Transportation		
Title 75 Fines	\$	738,008
Motor Carrier Road Tax Fines		825
Overweight Fines		600
Commercial Driver Fines		500
Littering Law Fines		1,611
Child Restraint Fines		863
Department of Revenue Court Costs		426,170
Crime Victims' Compensation Bureau Costs		117,426
Crime Commission Costs/Victim Witness Services Costs		84,028
Domestic Violence Costs		32,460
Department of Agriculture Fines		4,413
Emergency Medical Service Fines		169,463
CAT/MCARE Fund Surcharges		536,758
Judicial Computer System Fees		214,330
Access to Justice Fees		58,048
Criminal Justice Enhancement Account Fees		10,057
Judicial Computer Project Surcharges		46,092
Constable Service Surcharges		23,639
Miscellaneous State Fines and Costs		42,363
		<hr/>
Total receipts (Note 2)		2,507,654
Disbursements to Commonwealth (Note 3)		<hr/> (2,507,654)
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2008 to December 31, 2012	\$	<hr/> <hr/> -

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

DISTRICT COURT 09-3-01
 CUMBERLAND COUNTY
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2008 TO DECEMBER 31, 2012

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	\$ 2,507,579
State Police	75
Total	\$ 2,507,654

4. Balance Due Commonwealth (District Court) For The Period January 1, 2008 To December 31, 2012

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.

5. Magisterial District Judges Serving During Examination Period

Harold Bender served at District Court 09-3-01 for the period January 1, 2008 to December 31, 2010.

Senior Magisterial District Judge Brenda Knepper served at District Court 09-3-01 for the period January 1, 2011 to December 31, 2011.

DISTRICT COURT 09-3-01
CUMBERLAND COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

5. Magisterial District Judges Serving During Examination Period (Continued)

Harold Anthony Adams served at District Court 09-3-01 for the period January 1, 2012 to December 31, 2012.

DISTRICT COURT 09-3-01
CUMBERLAND COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 1 - Failure To Follow The *Supreme Court Of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention & Disposition Schedule With Guidelines Procedures*

Our examination disclosed that traffic/non-traffic citations closed between January 1, 2008 and December 31, 2008 were not available for examination and were destroyed in January 2012 by the district court without being in compliance with the procedures described in the *Supreme Court of Pennsylvania Administrative Office of Pennsylvania Courts Record Retention & Disposition Schedule with Guidelines* (Schedule).

The Schedule outlines the proper procedures for the destruction of non-permanent court records. Disposal request procedures include:

A request to destroy non-permanent scheduled records must be submitted by the record custodian requesting permission to dispose of the record(s) to the Record Retention Officer utilizing a Unified Judicial System Disposal Log for Non-Permanent Records form adopted by the AOPC as provided in Pa.R.J.A. No. 507. The Record Retention Officer shall review the Records Disposal Log Form for completeness and shall grant written permission to dispose of such non-permanent records upon ascertaining that the applicable retention period as set forth in the schedule has been met. Written approval from the AOPC is not necessary before destroying non-permanent records as identified in the schedule. A log of individual disposition actions involving non-permanent records must be maintained. Copies of the Records Disposal Log Form shall be submitted on an annual basis to the AOPC. (See §4.5 Form Retention)

Although the Schedule identifies traffic and non-traffic citations as records that may be destroyed after three years, the Schedule also states in part:

Records subject to audit must be retained for the periods listed in the schedule and must be audited and all findings resolved before such records may be destroyed. [Emphasis added.]

The failure to maintain these records resulted in an unclear examination trail. Additionally, collections associated with missing case files and documents could be lost or misappropriated.

DISTRICT COURT 09-3-01
CUMBERLAND COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 1 - Failure To Follow The *Supreme Court Of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention & Disposition Schedule With Guidelines Procedures (Continued)*

The district court staff stated that they believed these records were already audited and could be destroyed.

Recommendations

We recommend that the district court comply with the procedures listed in the Schedule.

We further recommend that the district court not destroy citations until after they have been subject to examination by the Department of the Auditor General.

Management's Response

No formal response was offered at this time.

DISTRICT COURT 09-3-01
CUMBERLAND COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

Finding No. 2 - Bank Deposit Slips Were Not Validated

Our examination of the district court's accounting records disclosed that the office copy of the bank deposit slip was not validated by the bank in 18 of the 74 deposits tested. The district court received a validated receipt from the bank, but this only confirmed the total amount deposited and not the actual make up of the deposit (i.e. cash and check mix).

Good internal accounting controls require that the amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit should be brought to the bank to be validated. If the bank cannot validate the deposit slip, the district court should obtain a deposit ticket from the bank that validates total cash and the total deposit. After the district court receives validation from the bank, it should be reconciled to the receipts by someone other than the person preparing or making the deposit.

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

The district court was not aware of the potential internal control weaknesses caused by not having a validated deposit slip, or deposit ticket from the bank.

Recommendations

We recommend that the district court obtain a validation from the bank as to the mix of cash and checks deposited. We further recommend that the validation is reconciled to receipts by someone other than the person preparing or making the deposit.

Management's Response

No formal response was offered at this time.

DISTRICT COURT 09-3-01
CUMBERLAND COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2012

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 Harold Anthony Adams	Magisterial District Judge
The Honorable Barbara B. Cross	Chairman of the Board of Commissioners
The Honorable Alfred Whitcomb	Controller
Ms. Melissa H. Calvanelli	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.