

# ATTESTATION ENGAGEMENT

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District Court 12-1-04  
Dauphin County, Pennsylvania  
For the Period  
January 1, 2009 to December 31, 2012

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November 2014



Commonwealth of Pennsylvania  
Department of the Auditor General  
Eugene A. DePasquale • Auditor General



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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 12-1-04, Dauphin County, Pennsylvania (District Court), for the period January 1, 2009 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*.

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, 2009 to December 31, 2012, in conformity with the criteria set forth in Note 1.

## Independent Auditor's Report (Continued)

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:

- Inadequate Internal Controls Over Receipts - Recurring.
- Inadequate Arrest Warrant And DL-38 Procedures - Recurring.

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. However, of the significant deficiencies described above, we consider the first bulleted deficiency to be a material weakness.

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

We are concerned in light of the office's failure to correct previously reported findings regarding inadequate internal controls over receipts and inadequate arrest warrant and DL-38 procedures. During our current examination, we noted that the office had inadequate internal controls over receipts and inadequate arrest warrant and DL-38 procedures. The office should strive to implement the recommendations and corrective actions noted in this report.

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.

We appreciate the courtesy extended by District Court 12-1-04, Dauphin County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.



Eugene A. DePasquale  
Auditor General

September 30, 2014

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DISTRICT COURT 12-1-04  
 DAUPHIN COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2009 TO DECEMBER 31, 2012

Receipts:

Department of Transportation		
Title 75 Fines	\$	184,136
Commercial Driver Fines		500
Littering Law Fines		286
Child Restraint Fines		1,298
Department of Revenue Court Costs		258,235
Crime Victims' Compensation Bureau Costs		25,203
Crime Commission Costs/Victim Witness Services Costs		18,181
Domestic Violence Costs		7,097
Emergency Medical Service Fines		32,118
CAT/MCARE Fund Surcharges		96,689
Judicial Computer System Fees		120,922
Access to Justice Fees		32,602
Criminal Justice Enhancement Account Fees		6,105
Judicial Computer Project Surcharges		27,779
Constable Service Surcharges		15,127
Miscellaneous State Fines and Costs		4,181
		<hr/>
Total receipts (Note 2)		830,459
Disbursements to Commonwealth (Note 3)		<hr/> (830,459)
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2009 to December 31, 2012	\$	<hr/> <hr/> -

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

DISTRICT COURT 12-1-04  
 DAUPHIN COUNTY  
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2009 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	\$ 828,527
Department of General Services	70
Department of Transportation	1,862
Total	\$ 830,459

4. Balance Due Commonwealth (District Court) For The Period January 1, 2009 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 Judge Serving During Examination Period

Marsha C. Stewart served at District Court 12-1-04 for the period January 1, 2009 to December 31, 2012.

DISTRICT COURT 12-1-04  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding No. 1 - Inadequate Internal Controls Over Receipts - Recurring**

We cited the district court for inadequate internal controls over receipts in our prior examination for the period January 1, 2006 to December 31, 2008. Our current examination found that the district court did not correct this issue. Our examination of the district court's accounting records disclosed the following deficiencies in internal controls over receipts:

- Of 59 deposits tested, 7 were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit ranged from two days to six days.
- The office copy of the bank deposit slip was not validated by the bank in 39 out of 59 days tested. The office 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 all monies collected be deposited in the bank at the end of every day. 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:

All money, including partial payments received by the Magisterial District Judge office (e.g. cash, checks, and money orders), must be deposited in the bank at the end of every business day. A bank night depository may be used by all (night) courts as well as by any court that cannot get to the bank during banking hours. Money should not be taken home, left in the office overnight, or unattended. The Daily Cash Balancing procedure must be completed every day.

In addition, 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 office should obtain a deposit ticket from the bank that validates total cash and the total deposit. After the office receives the validation from the bank, it should be reconciled to the receipts by someone other than the person preparing or making the deposit.

These conditions existed because the district court ignored our prior examination recommendation and failed to establish and implement an adequate system of internal controls over receipts.

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



DISTRICT COURT 12-1-04  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2009 TO DECEMBER 31, 2012

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

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

Recommendations

We strongly recommend that the district court deposit all receipts at the end of each day as required by good internal accounting controls and the Manual. Also, we recommend that the office 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

The Magisterial District Judge responded as follows:

Bank would not validate [the deposit slips]. Deposit slips were provided to the teller by our staff.

Auditor's Conclusion

This is a recurring finding. It is imperative that the district court take all steps necessary to comply with our recommendations. During our next examination we will determine if the office complied with our recommendations.

DISTRICT COURT 12-1-04  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring**

We cited the district court for inadequate arrest warrant and DL-38 procedures in our prior examination for the period January 1, 2006 to December 31, 2008. Our current examination found that the district court 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 63 instances in which a warrant was required to be issued. Our testing disclosed that 29 were not issued timely and 3 were not issued at all. The time of issuance ranged from 61 days to 1,155 days.

In addition, we tested 20 instances in which a DL-38 was required to be issued. Our testing disclosed that seven were not issued timely. The time of issuance ranged from 82 days to 1,036 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. Rules 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.

According to Pa.R.Crim.P. Rule 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.

DISTRICT COURT 12-1-04  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring**  
**(Continued)**

- 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.

**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.A. §1533 requires that the defendant be notified that he/she has fifteen 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).

In addition, 75 Pa.C.S.A. §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.

This condition existed because the district court ignored our prior recommendation to review tickler reports for warrants and DL-38s daily. 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 and DL-38s.

DISTRICT COURT 12-1-04  
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**Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring  
(Continued)**

Recommendation

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.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

This is a recurring finding. It is imperative that the district court take all steps necessary to comply with our recommendation. During our next examination we will determine if the office complied with our recommendation.

DISTRICT COURT 12-1-04  
DAUPHIN COUNTY  
COMMENT  
FOR THE PERIOD  
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Comment - Compliance With Prior Examination Recommendation

During our prior examination, we recommended that the court verify that all constables utilized by the court are properly certified in accordance with Title 42 Pa C.S.A Section 2941 (a) prior to obtaining their services.

During our current examination, we noted that the office complied with our recommendation.

DISTRICT COURT 12-1-04  
DAUPHIN COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2009 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 Marsha C. Stewart	Magisterial District Judge
The Honorable Jeff Haste	Chairperson of the Board of Commissioners
The Honorable Marie E. Rebuck	Controller
Deborah S. Freeman, Esquire	Acting 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](mailto:news@auditorgen.state.pa.us).