

ATTESTATION ENGAGEMENT

First Judicial District of
Pennsylvania Trial Division -
Criminal
Office of Judicial Records
Philadelphia County, Pennsylvania
For the Period
January 1, 2013 to April 30, 2014

March 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the First Judicial District Of Pennsylvania, Trial Division - Criminal, Office Of Judicial Records, Philadelphia County, Pennsylvania (County Officer), for the period January 1, 2013 to April 30, 2014, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). The County Office's management is responsible for presenting this Statement in accordance with the criteria set forth in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statement is presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statement of receipts and disbursements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Statement, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are mandated by Section 401(b) of *The Fiscal Code* to audit the accounts of each county officer 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(b) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above, for the period January 1, 2013 to April 30, 2014, is presented in accordance with the criteria set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statement; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statement. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness:

- Inadequate Internal Controls Over The Bank Account - Recurring.

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the County Office's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we did note another matter that, while not required to be included in this report by *Government Auditing Standards*, has been included in the finding below:

- Inadequate Assessment Of Costs - Recurring.

Independent Auditor's Report (Continued)

The two examination findings contained in this report cite conditions that existed in the operation of the County Office during the previous four engagement periods and were not corrected during the current examination period. It is imperative that the County Officer implement the recommendations and corrective actions noted in this report.

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.

We appreciate the courtesy extended by the First Judicial District of Pennsylvania, Trial Division - Criminal, Office of Judicial Records, Philadelphia 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

February 11, 2019

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FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

Receipts:

Department of Transportation		
Title 75 Fines	\$	9,540
Department of Revenue Court Costs		214,310
Crime Victims' Compensation Costs		973,515
Crime Commission Costs/Victim Witness Services Costs		647,071
Domestic Violence Costs		68,105
Emergency Medical Services Fines		8,767
DUI - ARD/EMS Fees		34,984
CAT/MCARE Fund Surcharges		113,493
Judicial Computer System/Access to Justice Fees		390,062
Offender Supervision Fees		1,032,147
Criminal Laboratory Users' Fees		3,886
Probation and Parole Officers' Firearm Education Costs		44,407
Substance Abuse Education Costs		2,409
Office of Victims' Services Costs		30,607
Miscellaneous State Fines and Costs		<u>2,231,780</u>
 Total receipts (Note 2)		 5,805,083
 Disbursements to Commonwealth (Note 3)		 <u>(5,805,083)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2013 to April 30, 2014	 \$	 <u><u>-</u></u>

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

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

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 summary and criminal cases filed with the First Judicial District of Pennsylvania, Trial Division - Criminal, Office of Judicial Records.

3. Disbursements

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 5,716,750
Office of Attorney General	1,149
Department of Public Welfare	58,879
Commission of Crimes and Delinquency	10,287
Department of Labor and Industry	<u>18,018</u>
Total	<u>\$ 5,805,083</u>

4. Balance Due Commonwealth (County) For The Period January 1, 2013 To April 30, 2014

This balance reflects a 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.

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

5. County Officer Serving During Examination Period

Joseph H. Evers served as Director, Office of Judicial Records for the period January 1, 2013 to April 30, 2014.

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

Finding No. 1 - Inadequate Internal Controls Over The Bank Account - Recurring

We cited the issue of inadequate internal controls over the bank account in the last four examination reports, with the most recent being for the period January 1, 2010 to December 31, 2012. Our current examination found that the office did not correct this issue.

Our examination of the accounting records for the office disclosed that the monthly bank reconciliations were not prepared properly. Because the office did not properly prepare the reconciliations, we found:

- Numerous deposits totaling \$2,590,922.45 dated from November 15, 2006 to April 16, 2013 that were still outstanding as of April 30, 2014.
- Numerous checks totaling \$32,204.14 dated from December 07, 2006 to December 28, 2012 that we found during the prior examination that were still outstanding as of April 30, 2014.

In addition, numerous debit/credit accounting adjustments totaling \$112,015.17 dated from October 25, 2006 to April 25, 2011 that we found during the prior examination were still outstanding as of April 30, 2014. These adjustments were incorrectly made in order to balance the bank account instead of completing an accurate reconciliation.

These conditions existed because the office failed to establish and implement an adequate system of internal controls over the bank account as recommended in the four prior examination reports.

A good system of internal controls ensures that:

- Bank statements are reconciled to the book balance on a monthly basis, and all deposits, outstanding checks and adjustments are reflected accurately on the bank reconciliation and any discrepancies are immediately investigated and resolved.

Without a good system of internal controls over the bank account, the possibility of funds being lost or misappropriated increases significantly.

Recommendation

We again strongly recommend that the office establish and implement an adequate system of internal controls over the bank account as noted above.

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

**Finding No. 1 - Inadequate Internal Controls Over The Bank Account - Recurring
(Continued)**

Management's Response

The County Officer responded as follows:

As noted in the finding, these adjustments were created between October 2006 and April 2011. These activities were used to complete bank reconciliations by Clerk of Quarter Sessions' staff. The adjustments took the place of actual CPCMS deposits and checks not correctly identified and cleared at the time. As part of the FJD Day Backward Process, we have reviewed and manually reconciled this activity and are now in the final stages of documenting and correcting the situation. Once completed, these assessments will be cleared and will no longer be an issue.

Auditor's Conclusion

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

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

Finding No. 2 - Inadequate Assessment Of Costs - Recurring

We cited the issue of inadequate assessment of costs in the four prior examination reports, with the most recent being for the period January 1, 2010 to December 31, 2012. Our current examination found that the office did not correct this issue.

Our current examination disclosed that the office did not assess certain costs as mandated by law. We tested five cases for proper assessment of Amber Alert Costs. Of the five cases tested for proper assessment of Amber Alert Costs, we found in all 5 cases that the Amber Alert System Cost was not assessed.

These conditions occurred because the office failed to properly assess costs as recommended in the four prior examination reports.

The following state statutes address the assessment of costs that were not properly assessed:

- Title 35 P.S. § 7025.4 provides for the collection of the Amber Alert System Cost. Unless the court finds that undue hardship would result in addition to any other cost imposed by law, a cost of \$25 shall automatically be assessed on each person convicted, adjudicated delinquent or granted accelerated rehabilitative disposition (ARD) of the offenses under 18 Pa.C.S. § 2901-2910.

The improper assessment of these costs resulted in the defendant not being assessed the proper amount of costs associated with the violation and/or a loss of revenue to the Commonwealth and County.

Recommendation

We strongly recommend that the office review the laws noted above to ensure that costs are assessed as mandated by law.

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

**Finding No. 2 - Inadequate Assessment of Fines, Costs, Fees, and Surcharges - Recurring
(Continued)**

Management's Response

The County Officer responded as follows:

In Philadelphia County, if a case has a conviction on a felony charge as well as on an Amber Alert charge, the Judge will sentence and place assessments on the felony charge and not on the Amber Alert charge. Since the Amber Alert Fee is only available on Amber Alert charges it is sometimes overlooked, due to the fact that the fee is unavailable on the felony charge. We are creating a training protocol on how to properly impose the Amber Alert fee on the appropriate charges as well as having a report run showing cases with a conviction on an Amber Alert charge as a quality control method to ascertain any cases that are missing the fee in 2018 and forward. We have also spoken to the Administrative Office of Pennsylvania Courts regarding making the fee available on non- Amber Alert charges for future assessment.

Auditor's Conclusion

This is a recurring finding. It is imperative the office take all corrective actions necessary to comply with our recommendation. During our next examination, we will determine if the office complied with our recommendation.

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

Summary Of Prior Examination Recommendations

During our prior examination, we recommended that the office:

- Establish and implement an adequate system of internal controls over manual receipts.
- Establish and implement an adequate system of internal controls over the bank account.
- Review the laws to ensure that fines, costs, fees, and surcharges are assessed as mandated by law.

During our current examination, we noted that the office complied with our first bulleted recommendation. However, the office did not comply with our second and third bulleted recommendations. Please see the current year findings for additional information.

FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
TRIAL DIVISION - CRIMINAL
OFFICE OF JUDICIAL RECORDS
PHILADELPHIA COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2013 TO APRIL 30, 2014

This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

The Honorable Thomas B. Darr
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

Mr. Thomas J. Dougherty
Director
Division of Grants and Standards
Pennsylvania Board of Probation and Parole

The Honorable Eric Feder
Director
Office of Judicial Records

The Honorable Rebecca Rhynart
City Controller

The Honorable Darrell L. Clarke
President of the City Council

The Honorable Idee Fox
President Judge

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.