



DISTRICT COURT 02-2-05

LANCASTER COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2005 TO DECEMBER 31, 2007

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Independent Auditor's Report

Mr. Steven H. Stetler
Acting Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 02-2-05, Lancaster County, Pennsylvania (District Court), for the period January 1, 2005 to December 31, 2007, 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 ended December 31, 2007, 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 deficiency described in the finding below to be a significant deficiency in internal control over reporting on the Statement:

- Certification Of Disposition Section On Non-Traffic And Certain Traffic Citations Was Not Always Completed.

Independent Auditor's Report (Continued)

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, we believe that the significant deficiency described above is not 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 District Court's failure to correct a previously reported finding regarding the signing of certification of disposition section on citations. This significant deficiency increases the risk for funds to be lost, stolen, or misappropriated. The District Court should strive to implement the recommendations and corrective action noted in this examination report.

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.

September 5, 2008

JACK WAGNER
Auditor General



DISTRICT COURT 02-2-05
LANCASTER COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Receipts:

Department of Transportation		
Title 75 Fines	\$	294,749
Motor Carrier Road Tax Fines		239
Overweight Fines		1,588
Commercial Driver Fines		4,691
Littering Law Fines		300
Child Restraint Fines		310
Department of Revenue Court Costs		202,081
Crime Victims' Compensation Bureau Costs		22,038
Crime Commission Costs/Victim Witness Services Costs		15,913
Domestic Violence Costs		4,422
Department of Conservation and Natural Resources Fines		500
Fish and Boat Commission Fines		50
Game Commission Fines		1,404
Emergency Medical Service Fines		74,595
CAT/MCARE Fund Surcharges		246,010
Judicial Computer System Fees		93,852
Access to Justice Fees		21,815
Constable Service Surcharges		21,752
Miscellaneous State Fines		350
		<hr/>
Total receipts (Note 2)	\$	1,006,659
Disbursements to Commonwealth (Note 3)		<hr/> <u>(1,006,659)</u>
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2005 to December 31, 2007	\$	<hr/> <u>-</u>

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

DISTRICT COURT 02-2-05
LANCASTER COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

1. Criteria

The Statement of Receipts and Disbursements (Statement) has been prepared in accordance with Section 401(c) of *The Fiscal Code*, 72 P.S § 401(c), which requires the Department of the Auditor General to determine whether all money collected on behalf of the Commonwealth has been remitted promptly and to provide the Pennsylvania Department of Revenue (Department of Revenue) with a report to enable them to settle an account covering any delinquency.

The Statement was prepared in accordance with reporting requirements prescribed by the 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	<u><u>\$ 1,006,659</u></u>
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2005 To December 31, 2007

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

5. Magisterial District Judge Serving During Examination Period

David E. Brian served at District Court 02-2-05 for the period January 1, 2005 to December 31, 2007.

DISTRICT COURT 02-2-05
LANCASTER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Finding - Certification Of Disposition Section On Non-Traffic And Certain Traffic Citations
Was Not Always Completed

During our examination of the district court's case files, we noted the following:

- Of 17 non-traffic citations tested in which the certification of disposition section was required to be signed by the Magisterial District Judge, 2 were not signed.
- On traffic citations, we tested cases that were disposed by hearings. We also tested citations that were dismissed, discharged, or withdrawn. Of 27 traffic citations tested in which the certification of disposition section was required to be signed by the Magisterial District Judge, 7 were not signed.

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 the Magisterial District Judge sign and seal the Certification of Disposition on non-traffic and traffic citations. The exception is on traffic citations where the defendant pleads guilty and is accompanied by a full payment. The Magisterial District Judge does not have to sign the certification of disposition on traffic citations where the defendant pleads guilty and payment is made in full.

The failure to perform these procedures results in a lack of evidence that the disposition was reviewed and authorized by the Magisterial District Judge.

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 citations.

This finding was cited in the prior audit period ending December 31, 2004.

Recommendation

We again recommend that the Magisterial District Judge sign and seal the non-traffic and traffic citation certification of disposition section in accordance with the Manual.

Management's Response

No formal response was offered at this time.

DISTRICT COURT 02-2-05
LANCASTER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Finding - Certification Of Disposition Section On Non-Traffic And Certain Traffic Citations
Was Not Always Completed (Continued)

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the district court comply with our recommendation.

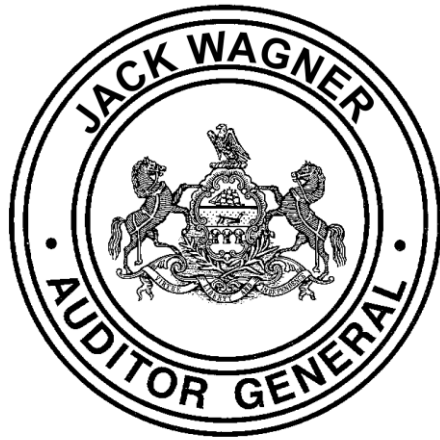
DISTRICT COURT 02-2-05
LANCASTER COUNTY
COMMENT
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Comment - Compliance With Prior Audit Recommendation

During our prior audit, we recommended:

- That the office should establish and implement an adequate system of internal controls over computer down time manual receipts. Specifically, all computer down time manual receipts and log sheets should be properly accounted for and maintained.

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



DISTRICT COURT 02-2-05
LANCASTER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

This report was initially distributed to:

Mr. Steven H. Stetler
Acting Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
Court Administrator of Pennsylvania
Administrative Office of Pennsylvania Courts

District Court 02-2-05
Lancaster County
399 Camp Meeting Road
Landisville, PA 17538

The Honorable David E. Brian	Magisterial District Judge
Mr. Mark M. Dalton	District Court Administrator
The Honorable Dennis P. Stuckey	Chairman of the Board of Commissioners
Mr. Walter Rogers	Acting Controller

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at www.auditorgen.state.pa.us.