



DISTRICT COURT 02-3-04

LANCASTER COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2002 TO DECEMBER 31, 2005

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Independent Auditor's Report

The Honorable Gregory C. Fajt
Secretary
Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 02-3-04, Lancaster County, Pennsylvania (District Court), for the period January 1, 2002 to December 31, 2005, pursuant to the requirements of Section 401(c) of *The Fiscal Code*. 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.

Except as discussed in the fourth paragraph, 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 reported and promptly transmitted. *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*.

As discussed in the Finding and Recommendations section of the examination report, the 2002 closed traffic and non-traffic case files were destroyed and not available for the examination. Without these records, we could not perform our standard examination procedures. As a result, the scope of our examination of District Court 02-3-04's Statement was limited, and we were unable to satisfy ourselves by other examination procedures.

Independent Auditor's Report (Continued)

In our opinion, except for the effects, if any, of the matters noted in the preceding paragraph, 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 Department of Revenue and other state agencies for the period ended December 31, 2005, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of 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 the Statement or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards* and this finding, along with the views of management, are described in the Finding and Recommendations section of the 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.

November 21, 2006

JACK WAGNER
Auditor General

DISTRICT COURT 02-3-04
LANCASTER COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2005

Receipts:

| | | | |
|--|----|------------------|--|
| Department of Transportation | | | |
| Title 75 Fines | \$ | 268,236 | |
| Overweight Fines | | 2,850 | |
| Littering Law Fines | | 173 | |
| Child Restraint Fines | | 210 | |
| Department of Revenue Court Costs | | 130,014 | |
| Crime Victims' Compensation Bureau Costs | | 47,637 | |
| Crime Commission Costs/Victim Witness Services Costs | | 40,977 | |
| Domestic Violence Costs | | 13,254 | |
| Department of Conservation and Natural Resources Fines | | 650 | |
| Department of Agriculture Fines | | 9,073 | |
| Fish and Boat Commission Fines | | 21,551 | |
| Game Commission Fines | | 32,328 | |
| Emergency Medical Service Fines | | 42,665 | |
| CAT/MCARE Fund Surcharges | | 134,948 | |
| Judicial Computer System Fees | | 60,074 | |
| Access to Justice Fees | | 9,911 | |
| Constable Service Surcharges | | 12,210 | |
| Department of Labor and Industry Fines | | 4,862 | |
| State Police Crime Lab Fees | | 459 | |
| Miscellaneous State Fines | | 2,150 | |
| | | | |
| Total receipts (Note 2) | \$ | 834,232 | |
| Disbursements to Department of Revenue (Note 3) | | <u>(834,232)</u> | |
| Balance due Department of Revenue (District Court) per settled reports (Note 4) | | - | |
| Examination adjustments | | <u>-</u> | |
| Adjusted balance due Department of Revenue (District Court) for the period January 1, 2002 to December 31, 2005 | \$ | <u><u>-</u></u> | |

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

DISTRICT COURT 02-3-04
LANCASTER COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2005

1. Criteria

The Statement of Receipts and Disbursements (Statement) has been prepared in accordance with Title 72 P.S. Section 401 (c) of *The Fiscal Code*, 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 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 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 Department of Revenue and other state agencies. 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:

| | |
|--|-------------------|
| Checks issued to the Department of Revenue | <u>\$ 834,232</u> |
|--|-------------------|

4. Balance Due Department Of Revenue (District Court) For The Period January 1, 2002 To December 31, 2005

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

5. Magisterial District Judge Serving During Examination Period

Stuart J. Mylin served at District Court 02-3-04 for the period January 1, 2002 to December 31, 2005.

DISTRICT COURT 02-3-04
LANCASTER COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2005

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

Our examination disclosed that closed traffic/non-traffic citations issued in 2002 were not available for examination and have been destroyed in 2006 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 (3) 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.

The Magisterial District Justice contends that the procedures were followed for requesting disposal and the files were sent to the County and that they became the ultimate arbitrator as to when and where that process would commence.

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

DISTRICT COURT 02-3-04
LANCASTER COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2005

Finding - Failure To Follow The *Supreme Court Of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention And Disposition Schedule With Guidelines Procedures (Continued)*

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

The Magisterial District Judge responded as follows:

This office destroyed 19 cases from calendar year 2002 before they were audited. This occurred because we followed an AOPC guideline which allows for the destruction of certain files after 3 years. The local court administration office was contacted before the files in question were removed. This is contrary to the Auditor General's rule that permits the destruction of files only after auditing. I recognize this misunderstanding and acknowledge the rule of the Auditor General as prevailing.

Auditor's Conclusion

As stated above the *Supreme Court Of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention And Disposition Schedule with Guidelines*, 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.

Therefore, this is not an Auditor General rule but a rule established and documented in the *Supreme Court of Pennsylvania Administrative Office Of Pennsylvania Courts Record Retention And Disposition Schedule With Guidelines*.

It should also be noted that there were more than "19 cases from calendar year 2002" that were destroyed. Our review disclosed that traffic/non-traffic citations issued in 2002, which were closed during the examination period, had been destroyed and unavailable for review.

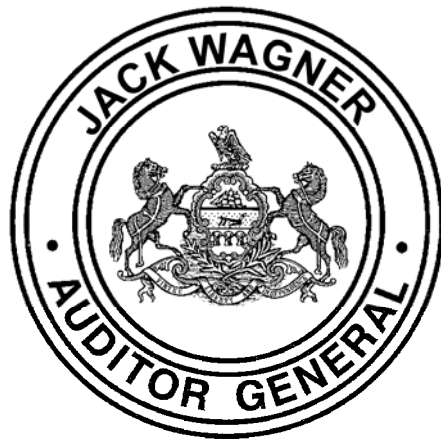
DISTRICT COURT 02-3-04
LANCASTER COUNTY
COMMENT
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2005

Comment - Compliance With Prior Audit Recommendation

During our prior audit, we made the following recommendation:

- That the district court review the tickler reports for DL-38s daily and take appropriate action as required by the *Magisterial District Judge Automated Office Clerical Procedures Manual*.

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



DISTRICT COURT 02-3-04
LANCASTER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2005

This report was initially distributed to:

The Honorable Gregory C. Fajt
Secretary
Department of Revenue

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

District Court 02-3-04
Lancaster County
25 East State Street
Quarryville, PA 17566

| | |
|----------------------------------|------------------------------|
| Mr. Mark M. Dalton | District Court Administrator |
| The Honorable Stuart J. Mylin | Magisterial District Judge |
| The Honorable Dick Shellenberger | Chairman of the Board |
| The Honorable Dennis P. Stuckey | 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.