

DISTRICT COURT 03-2-06  
NORTHAMPTON COUNTY  
EXAMINATION REPORT  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2010

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**Department of the Auditor General  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120-0018**

**JACK WAGNER  
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 03-2-06, Northampton County, Pennsylvania (District Court), for the period January 1, 2008 to December 31, 2010, 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, 2010, 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 the reporting on the Statement:

- Bank Deposit Slips Were Not Always Validated.

Independent Auditor's Report (Continued)

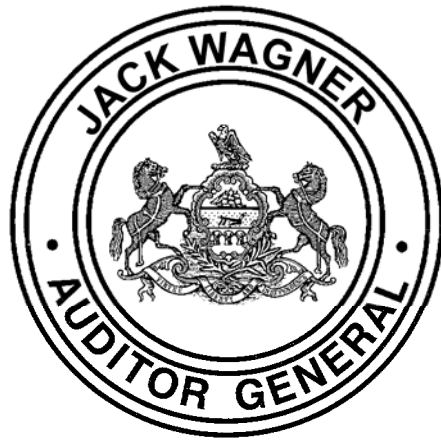
A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the District Court's internal control. Our consideration of the internal control 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. We consider the significant deficiency described above 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*.

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.

December 16, 2011

JACK WAGNER  
Auditor General



DISTRICT COURT 03-2-06  
 NORTHAMPTON COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2008 TO DECEMBER 31, 2010

Receipts:

Department of Transportation		
Title 75 Fines	\$	362,976
Motor Carrier Road Tax Fines		9,088
Overweight Fines		27,460
Commercial Driver Fines		10,287
Littering Law Fines		73
Child Restraint Fines		1,172
Department of Revenue Court Costs		145,779
Crime Victims' Compensation Bureau Costs		10,817
Crime Commission Costs/Victim Witness Services Costs		7,764
Domestic Violence Costs		2,751
Department of Agriculture Fines		3,200
Emergency Medical Service Fines		61,480
CAT/MCARE Fund Surcharges		190,167
Judicial Computer System Fees		72,770
Access to Justice Fees		18,693
Criminal Justice Enhancement Account Fees		1,220
Judicial Computer Project Surcharges		5,545
Constable Service Surcharges		11,904
Miscellaneous State Fines		5,305
		<hr/>
Total receipts (Note 2)		948,451
Disbursements to Commonwealth (Note 3)		<hr/> (948,451) <hr/>
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> - <hr/>
Adjusted balance due Commonwealth (District Court) for the period January 1, 2008 to December 31, 2010	\$	<hr/> <hr/> -

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



DISTRICT COURT 03-2-06  
NORTHAMPTON COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2010

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	\$ 948,451
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2008 To December 31, 2010

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

5. Magisterial District Judge Serving During Examination Period

Daniel G. Corpora served at District Court 03-2-06 for the period January 1, 2008 to December 31, 2010.

DISTRICT COURT 03-2-06  
NORTHAMPTON COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2010

Finding - Bank Deposit Slips Were Not Always 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 25 of the 45 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.

Without a good system of internal control over funds received by the office, 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.

Recommendation

We recommend that the district court secure the bank's validation on the court's copy of the deposit slip.

Management's Response

The Magisterial District Judge responded as follows:

While there is no discrepancy that validation was not always recorded on an actual deposit slip, every deposit was validated on either the deposit slip or a cashier's slip. In addition to this validation, every single deposit made during this audit period was precise and accurate.

On April 14, 2011, MDJS Bulletin Number 14-11 was issued. This Bulletin contained "Audit Reminders," including information on validated deposit slips. The Bulletin also references the fact that this issue would be addressed during the 2010-2011 MDJ Continuing Education sessions. The Bulletin was issued after this audit period, and the Continuing Education sessions were in the last months of the period. Also, during the exit conference for the last audit period (2005-2007), no mention of improper validation was discussed.

DISTRICT COURT 03-2-06  
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FINDING AND RECOMMENDATION  
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Finding - Bank Deposit Slips Were Not Always Validated (Continued)

Management's Response (Continued)

District Court 03-2-06 has taken proper steps to ensure all future bank deposit slips are validated (not just the cashier's slip), including staff training and communication with our bank. Because of the reasons explained previously, and actions taken, I am requesting the finding be removed from this audit, and placed as an oral comment.

Auditor's Conclusion

Although we acknowledge the court's point of view regarding improper validation of bank deposit slips, and their effort to correct this condition, the lack of a validation of the breakdown of cash and checks on a validated deposit slip or bank receipt was a material weakness during the audit period and needs to be followed to prevent the possibility of funds being lost or misappropriated. Therefore, the finding remains as stated.

DISTRICT COURT 03-2-06  
NORTHAMPTON COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2010

This report was initially distributed to:

The Honorable Daniel P. Meuser  
Secretary  
Pennsylvania Department of Revenue

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

The Honorable Daniel G. Corpora	Magisterial District Judge
Mr. James N. Onembo	District Court Administrator
The Honorable Stephen Barron	Controller
The Honorable John Cusick	President of County Council

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](http://www.auditorgen.state.pa.us).