

DISTRICT COURT 05-2-11

ALLEGHENY COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2004 TO DECEMBER 31, 2006

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Independent Auditor's Report

The Honorable Thomas W. Wolf
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 05-2-11, Allegheny County, Pennsylvania (District Court), for the period January 1, 2004 to December 31, 2006, 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, 2006, 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:

- Unauthorized Use Of Unofficial Manual Receipts.

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.

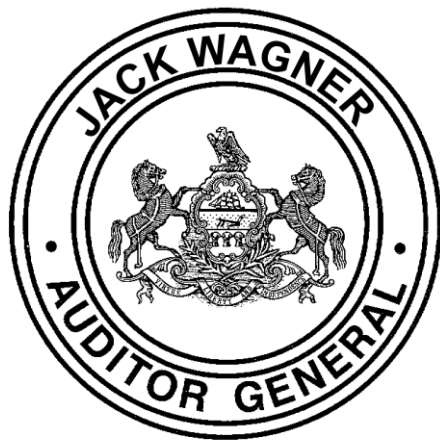
Independent Auditor's Report (Continued)

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.

July 25, 2008

JACK WAGNER
Auditor General



DISTRICT COURT 05-2-11
 ALLEGHENY COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2004 TO DECEMBER 31, 2006

Receipts:

Department of Transportation			
Title 75 Fines	\$	233,066	
Motor Carrier Road Tax Fines		661	
Overweight Fines		897	
Commercial Driver Fines		1,500	
Littering Law Fines		363	
Child Restraint Fines		1,026	
Department of Revenue Court Costs		184,764	
Crime Victims' Compensation Bureau Costs		72,622	
Crime Commission Costs/Victim Witness Services Costs		53,551	
Department of Public Welfare			
Domestic Violence Costs		19,777	
Attend Care Fines		481	
Department of Agriculture Fines		1,851	
Game Commission Fines		100	
Emergency Medical Service Fines		84,053	
CAT/MCARE Fund Surcharges		255,713	
Judicial Computer System Fees		104,625	
Access to Justice Fees		21,066	
Constable Service Surcharges		20,628	
State Police Crime Lab Fees		7	
Miscellaneous State Fines		275	
Total receipts (Note 2)			\$ 1,057,026
Disbursements to Commonwealth (Note 3)			<u>(1,057,026)</u>
Balance due Commonwealth (District Court) per settled reports (Note 4)			-
Examination adjustments			<u>-</u>
Adjusted balance due Commonwealth (District Court) for the period January 1, 2004 to December 31, 2006			<u><u>\$ -</u></u>

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

DISTRICT COURT 05-2-11
ALLEGHENY COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2004 TO DECEMBER 31, 2006

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	\$ 1,057,026
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2004 To December 31, 2006

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

5. Magisterial District Judge Serving During Examination Period

Robert L. Barner served at District Court 05-2-11 for the period January 1, 2004 to December 31, 2006.

DISTRICT COURT 05-2-11
ALLEGHENY COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2004 TO DECEMBER 31, 2006

Finding - Unauthorized Use Of Unofficial Manual Receipts

Our examination disclosed that the office used handwritten slips of paper as receipts for collections.

The Administrative Office of Pennsylvania Courts' (AOPC) policies and good internal accounting control procedures ensure that district courts issue only computer generated receipts or if the computer system is down the district court should issue official computer downtime manual receipts.

By not using authorized receipts, the potential is increased that funds could be lost, stolen, or misappropriated.

This condition existed because the district court failed to establish and implement an adequate system of internal controls over computer generated receipts and computer downtime manual receipts.

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

Recommendation

We recommend that the district court establish and implement an adequate system of internal controls by only using receipts authorized by the AOPC.

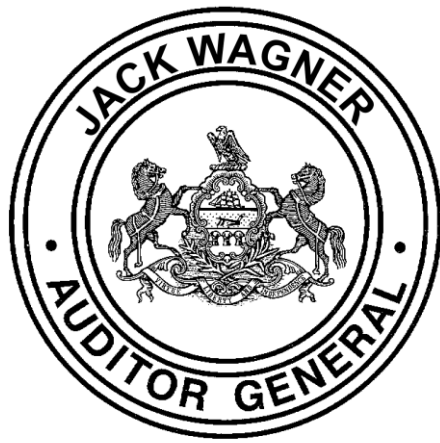
Management's Response

The Magisterial District Judge responded as follows:

We have manual receipts on hand if we need them when the computer system is down. Every day we close our accounting down at 3:00 P.M. There are no monies collected after that hour.

Auditor's Conclusion

Although the district court has official computer downtime manual receipts on hand, we recommend they use them when appropriate and never use unofficial receipts.



DISTRICT COURT 05-2-11
ALLEGHENY COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2004 TO DECEMBER 31, 2006

This report was initially distributed to:

The Honorable Thomas W. Wolf
Secretary
Pennsylvania Department of Revenue

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

District Court 05-2-11
Allegheny County
371 Lincoln Highway
North Versailles, PA 15137

The Honorable Robert L. Barner	Magisterial District Judge
The Honorable Mark Patrick Flaherty	Controller
The Honorable Dan Onorato	Allegheny County Chief Executive
Mr. Raymond L. Billotte	Court Administrator

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.