



DISTRICT COURT 05-3-12

ALLEGHENY COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2006 TO DECEMBER 31, 2008

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## Independent Auditor's Report

Mr. C. Daniel Hassell  
Acting Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 05-3-12, Allegheny County, Pennsylvania (District Court), for the period January 1, 2006 to December 31, 2008, 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*.

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, 2008, in conformity with the criteria set forth in Note 1.

### Independent Auditor's Report (Continued)

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 deficiencies described in the findings below to be significant deficiencies in internal control over the reporting on the Statement:

- Missing Case Files.
- Inadequate Arrest Warrant And DL-38 Procedures.

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, of the significant deficiencies described above, we consider the first bulleted deficiency 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*.

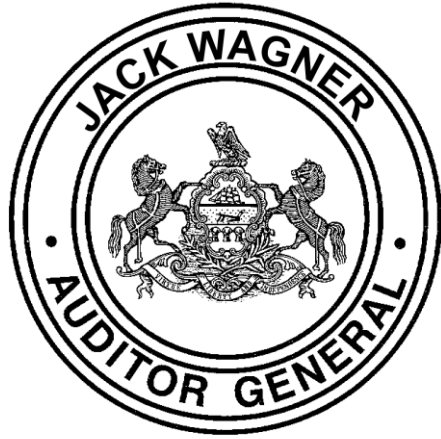
Independent Auditor's Report (Continued)

We are concerned in light of the District Court's failure to correct a previously reported finding regarding inadequate arrest warrant and DL-38 procedures. Additionally, during our current examination, we noted several weaknesses in the internal controls over case files that need corrective action. These significant deficiencies could result in uncollected fines and unpunished offenders and increase the risk for funds to be lost 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.

August 13, 2009

JACK WAGNER  
Auditor General



DISTRICT COURT 05-3-12  
 ALLEGHENY COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2006 TO DECEMBER 31, 2008

Receipts:

Department of Transportation	
Title 75 Fines	\$ 2,382
Child Restraint Fines	50
Department of Revenue Court Costs	91,826
Crime Victims' Compensation Bureau Costs	5,670
Crime Commission Costs/Victim Witness Services Costs	4,102
Domestic Violence Costs	1,121
Department of State Fines	308
Emergency Medical Service Fines	659
CAT/MCARE Fund Surcharges	1,978
Judicial Computer System Fees	25,532
Access to Justice Fees	6,352
Constable Service Surcharges	10,229
Miscellaneous State Fines	1,120
	<u>          </u>

Total receipts (Note 2)	\$ 151,329
Disbursements to Commonwealth (Note 3)	<u>(151,364)</u>
Balance due Commonwealth (District Court) per settled reports (Note 4)	(35)
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (District Court) for the period January 1, 2006 to December 31, 2008	<u><u>\$ (35)</u></u>

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

DISTRICT COURT 05-3-12  
ALLEGHENY COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2008

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	\$ 151,364
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2006 To December 31, 2008

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

5. Magisterial District Judge Serving During Examination Period

Kevin E. Cooper served at District Court 05-3-12 for the period January 1, 2006 to December 31, 2008.



DISTRICT COURT 05-3-12  
ALLEGHENY COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2008

Finding No. 1 - Missing Case Files

Our examination of the district court required that certain case files be examined. We encountered considerable difficulty in finding a number of case files. There were six case files needed for testing that could not be located.

In order for an entity to have an efficient record-keeping system, each court document must be filed timely and properly. Additionally, the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) outlines the proper filing procedures for all district courts to follow.

This condition existed because the district court failed to establish and implement an adequate system of internal controls over the accountability of case files.

The failure to follow these guidelines could result in case file documents being lost, misfiled, or intentionally destroyed. Additionally, collections associated with missing case files and documents could be misappropriated.

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 case files.

Recommendation

We recommend that the district court initiate procedures to ensure that all cases are properly filed and contain appropriate documents as outlined in the Manual.

Management's Response

No formal response was offered at this time.

DISTRICT COURT 05-3-12  
ALLEGHENY COUNTY  
FINDINGS AND RECOMMENDATIONS  
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Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures

Warrants and Requests For Suspension Of Operating Privileges (DL-38s) are used to enforce the collection of monies on traffic and non-traffic cases in which defendants failed to make payments when required. A Warrant of Arrest (AOPC 417) is used to authorize an official to arrest a defendant, to collect fines and costs from the defendant after a disposition, or to collect collateral for a trial. If the defendant does not respond within ten days to a citation or summons, a Warrant of Arrest may be issued. A Request for Suspension of Driving Privileges for Failure to Respond to a Citation or Summons or Pay Fines and Costs Imposed (AOPC 638A) is used to notify the defendant in writing that his/her license will be suspended if he/she fails to respond to the traffic citation or summons. A DL-38 cannot be issued for a parking violation.

During our testing of warrant procedures, we noted that warrant procedures established by the *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) were not always followed. The Magisterial District Judge did not consistently issue warrants when required. We tested 23 instances in which a warrant was required to be issued. Our testing disclosed that ten were not issued timely and ten were not issued at all. The time of issuance ranged from 102 days to 390 days.

In addition, of 13 warrants required to be returned or recalled, 8 were not returned or recalled.

Furthermore, we tested nine instances in which a DL-38 was required to be issued. Our testing disclosed that one was not issued timely and three were not issued at all. The time of issuance was 274 days.

The Manual establishes the uniform written internal control policies and procedures for all district courts.

**Warrant Issuance Procedures:** The Manual states that on October 1, 1998, new warrant procedures took effect for summary cases. Amendments were made to Pa.R.Crim.P. Rules 430, 431, 454, 455, 456, 460, 461, and 462. To comply with the new changes, the Notice of Impending Warrant (AOPC A418) was created with the purpose of informing the defendant that failure to pay the amount due or to appear for a Payment Determination Hearing will result in the issuance of an arrest warrant. The defendant is also informed that his/her response must be made within ten days of the date of the notice.

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Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures (Continued)

According to Pa.R.Crim.P. Rule 430, a Notice of Impending Warrant may be issued in a post-disposition summary case for any of the following reasons:

- A guilty disposition is recorded and no payment is made or a time payment schedule is not created.
- A guilty disposition is recorded and a previously deposited collateral payment, when applied, does not pay the case balance in full.
- A guilty disposition is recorded and the defendant defaults on a time payment schedule.

According to Pa.R.Crim.P. 430, a warrant SHALL be issued in a summary case for any of the following reasons (a Notice of Impending Warrant is not necessary for the following):

- The defendant has failed to respond to a citation or summons that was served either personally or by certified mail, return receipt requested.
- The citation or summons is returned undeliverable.
- The Magisterial District Judge has reasonable grounds to believe that the defendant will not obey a summons.

**Warrant Return Procedures:** The Manual states that the Administrative Office of Pennsylvania Courts (AOPC) recommends that those in possession of arrest warrants should be notified to return warrants that have not been served. For summary traffic and non-traffic cases, outstanding warrants should be returned to the Magisterial District Judge's office within 60 days of issuance. Returned warrants can either be recorded in the Magisterial District Judge System (MDJS) as unserved, if the defendant is unable to be located; or they can be recalled for reissue, if the server has not exhausted all means of finding the defendant.

**DL-38 Procedures:** The Manual states that once a citation is given to the defendant or a summons is issued, the defendant has ten days to respond. If on the eleventh day, the defendant has not responded, 75 Pa.C.S.A. §1533 requires that the defendant be notified that he/she has fifteen days from the date of notice to respond to the citation/summons before his/her license is suspended. In accordance with Section 1533 of the *Pennsylvania Vehicle Code*, the defendant

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Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures (Continued)

has 15 days to respond to the defendant's copy of the DL-38. If the defendant does not respond by the fifteenth day, the Magisterial District Judge's office shall notify the Pennsylvania Department of Transportation by issuing the appropriate License Suspension Request (AOPC 638B,D,E).

In addition, 75 Pa.C.S.A. §1533 also requires a post-disposition DL-38 (AOPC 638B/E) be issued if the defendant neglects to pay fines and costs imposed at the time of disposition, or fails to make a scheduled time payment.

The failure to follow warrant and DL-38 procedures could result in uncollected fines and unpunished offenders. Additionally, the risk is increased for funds to be lost or misappropriated.

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 warrants and DL-38s.

This finding was cited in our last two audit periods, the most recent ending December 31, 2005.

Recommendations

We again recommend that the district court review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommend that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 60 days for summary traffic and non-traffic cases as required by the Manual.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the office comply with our recommendations.

DISTRICT COURT 05-3-12  
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OBSERVATION  
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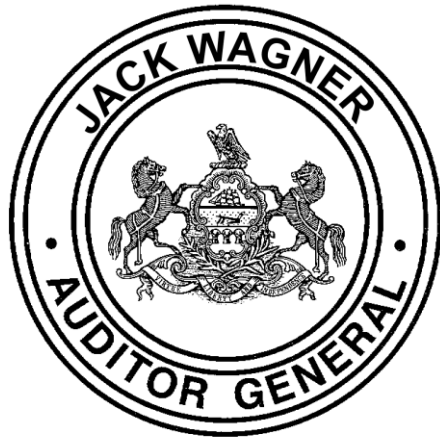
Observation - Improper Assessment of Costs

Our examination of Allegheny County District Courts revealed that the courts were assessing a \$13.50 fee to cover the additional administrative costs related to establishing installment payment plans in summary conviction cases, pursuant to the provisions of 42 Pa.C.S.A. § 1725.1(c)(5), relating to unclassified costs. Allegheny County District Courts were authorized to assess this cost on all summary cases when the defendant in the summary case requests and is permitted to make installment payments as provided in Pa.R.Crim.P. 454 (F) (1), Trial in Summary Cases.

The Allegheny County Courts interpret such language for the purpose of their Administrative Orders, to mean they are authorized to charge a \$13.50 fee for defendants paying costs and fines through installment payment plans. However, the subchapter in question, 42 Pa.C.S.A. § 1725.1(c)(5) titled “Specific Powers of the Governing Authority of the System,” provides for fees to be charged by the courts for various actions relating to issuing documents, such as court orders and warrants, in civil cases, custody cases, and criminal cases, not for establishing a payment schedule for defendants.

Recommendations

We recommend that district court discontinue assessing the above-cited fee. We further recommend that Allegheny County Courts assess fees and costs as intended by the appropriate state statutes.



DISTRICT COURT 05-3-12  
ALLEGHENY COUNTY  
REPORT DISTRIBUTION  
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This report was initially distributed to:

Mr. C. Daniel Hassell  
Acting Secretary  
Pennsylvania Department of Revenue

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

District Court 05-3-12  
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566 Brushton Avenue  
Pittsburgh, PA 15208

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

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