



DISTRICT COURT 32-2-48

DELAWARE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2005 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 32-2-48, Delaware County, Pennsylvania (District Court), for the period January 1, 2005 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 deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statement:

- Unsecured Payment Drop-Off Utilized By The District Court.

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.

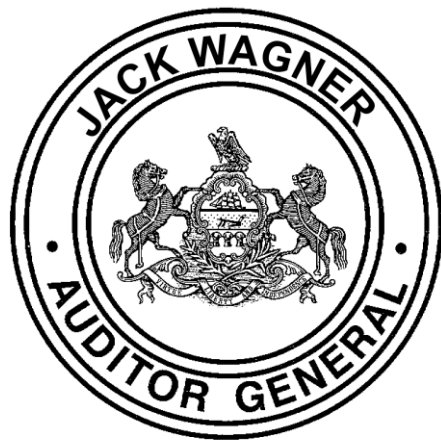
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report (Continued)

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 19, 2009

JACK WAGNER  
Auditor General



DISTRICT COURT 32-2-48  
 DELAWARE COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2005 TO DECEMBER 31, 2008

Receipts:

Department of Transportation		
Title 75 Fines	\$ 221,868	
Commercial Driver Fines	54	
Littering Law Fines	418	
Child Restraint Fines	386	
Department of Revenue Court Costs	97,659	
Crime Victims' Compensation Bureau Costs	22,906	
Crime Commission Costs/Victim Witness Services Costs	16,997	
Department of Public Welfare		
Domestic Violence Costs	4,854	
Attend Care Fines	55	
Emergency Medical Service Fines	48,364	
CAT/MCARE Fund Surcharges	150,607	
Judicial Computer System Fees	49,747	
Access to Justice Fees	11,863	
Constable Service Surcharges	7,747	
Department of Labor and Industry Fines	2,100	
Firearm Education and Training Costs	4	
Miscellaneous State Fines	2,734	
	<hr/>	
Total receipts (Note 2)		\$ 638,363
Disbursements to Commonwealth (Note 3)		<u>(638,363)</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, 2008		<u><u>\$ -</u></u>

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



DISTRICT COURT 32-2-48  
DELAWARE COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2005 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:

Department of Revenue	\$ 638,363
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2005 To December 31, 2008

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

5. Magisterial District Judges Serving During Examination Period

James F. Nilon, Jr. served at District Court 32-2-48 for the period January 1, 2005 to December 31, 2005.

Various Senior Magisterial District Judges served at District Court 32-2-48 for the period January 1, 2006 to July 18, 2007.

Walter A. Strohl served at District Court 32-2-48 for the period July 19, 2007 to December 31, 2008.

DISTRICT COURT 32-2-48  
DELAWARE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

Finding - Unsecured Payment Drop-Off Utilized By The District Court

Our examination disclosed that monies are being dropped off after office hours and on weekends in the mail slot in the door of the district court.

If the district court accepts payments after office hours, the court should install a locked, secured, drop-off box, which can only be accessed by authorized personnel. Additionally, the court should notify defendants that only payments made by check will be accepted in the drop-off box.

The office was unaware of the potential internal control weakness arising from receiving monies in a mail slot after business hours.

Good internal accounting controls require that all monies collected be adequately safeguarded and deposited in the bank at the end of every day. 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:

All money, including partial payments received by the Magisterial District Judge office (e.g. cash, checks, and money orders), must be deposited in the bank at the end of every business day. A bank night depository may be used by all (night) courts as well as by any court that cannot get to the bank during banking hours. Money should not be taken home, left in the office overnight, or unattended. The Daily Cash Balancing procedure must be completed every day.

Without a good system of internal control over funds received by the office, the potential is increased that funds could be lost, stolen, or misappropriated.

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 take measures to ensure that monies are not dropped off after hours and on weekends in the mail slot in the door of the district court. If monies are accepted after office hours, the court should install a locked, secured, drop-off box, which can only be accessed by authorized personnel. Additionally, the court should notify defendants that only checks will be accepted in the drop-off box.

DISTRICT COURT 32-2-48  
DELAWARE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

Finding - Unsecured Payment Drop-Off Utilized By The District Court (Continued)

Management's Response

The Magisterial District Judge responded as follows:

In regards to our unsecured drop off box, I met with our Regional Court Administrator about procuring a locked drop box that would meet state standards. This should be accomplished within the next 30 days [after the exit conference].

Auditor's Conclusion

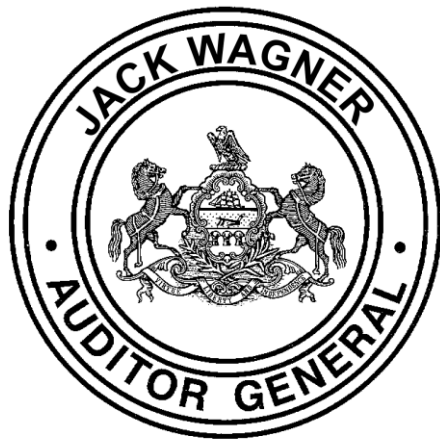
During our next examination we will determine if the office complied with our recommendation.

DISTRICT COURT 32-2-48  
DELAWARE COUNTY  
COMMENT  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

Comment - Compliance With Prior Audit Recommendation

During our prior audit, we recommended that the office review the 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 *Magisterial District Judge Automated Office Clerical Procedures Manual*.

Our current examination found that the office substantially complied with our prior examination recommendation. Insignificant instances of noncompliance were verbally communicated to the office.



DISTRICT COURT 32-2-48  
DELAWARE COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

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 32-2-48  
Delaware County  
P. O. Box 93  
27 South Pennell Road  
Lima, PA 19037

The Honorable Walter A. Strohl	Magisterial District Judge
The Honorable Cynthia F. Leitzell	Controller
The Honorable Andrew J. Reilly	Chairman of the Board of Commissioners
Gerald C. Montella, Esquire	District 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](http://www.auditorgen.state.pa.us).