



DISTRICT COURT 49-2-01

CENTRE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2006 TO DECEMBER 31, 2007

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## Independent Auditor's Report

The Honorable Stephen H. Stetler  
Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 49-2-01, Centre County, Pennsylvania (District Court), for the period January 1, 2006 to December 31, 2007, 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, 2007, 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.

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 internal control over reporting on the Statement was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any significant deficiencies or material weaknesses, as defined above, in internal control over reporting on the Statement.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we did note an other matter that, while not required to be included in this report by *Government Auditing Standards*, has been included in the finding below:

- Late Payments To The Department Of Revenue.

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.

April 21, 2009

JACK WAGNER  
Auditor General



DISTRICT COURT 49-2-01  
CENTRE COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2007

Receipts:

Department of Transportation		
Title 75 Fines	\$ 259,593	
Motor Carrier Road Tax Fines	113	
Overweight Fines	150	
Littering Law Fines	100	
Child Restraint Fines	493	
Department of Revenue Court Costs	203,501	
Crime Victims' Compensation Bureau Costs	58,470	
Crime Commission Costs/Victim Witness Services Costs	41,839	
Department of Public Welfare		
Domestic Violence Costs	16,748	
Attend Care Fines	48	
Department of Conservation and Natural Resources Fines	400	
Department of Agriculture Fines	175	
Game Commission Fines	6,561	
Emergency Medical Service Fines	89,006	
CAT/MCARE Fund Surcharges	291,362	
Judicial Computer System Fees	99,470	
Access to Justice Fees	24,770	
Constable Service Surcharges	4,196	
Miscellaneous State Fines	250	
Total receipts (Note 2)		\$ 1,097,245
Disbursements and credits to Commonwealth (Note 3)		<u>(1,097,245)</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, 2006 to December 31, 2007		<u><u>\$ -</u></u>

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



DISTRICT COURT 49-2-01  
CENTRE COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2007

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 And Credits

Total disbursements and credits are comprised as follows:

District Court checks issued to:

Department of Revenue	\$ 1,096,845
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Credit taken on the current examination for the prior audit period:

January 1, 2001 to December 31, 2003	<u>400</u>
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Total	<u>\$ 1,097,245</u>
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2006 To December 31, 2007

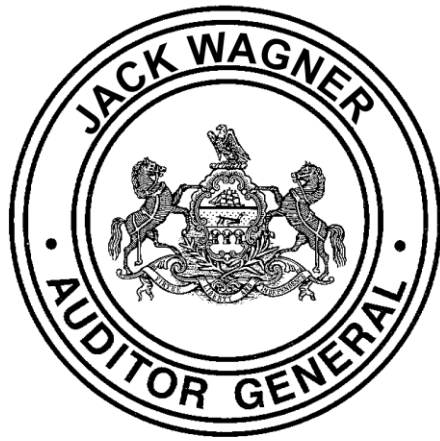
This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

DISTRICT COURT 49-2-01  
CENTRE COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
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5. Magisterial District Judges Serving During Examination Period

Robert A. Shoff and Ronald J. Horner served at District Court 49-2-01 bi-monthly for the period January 1, 2006 to December 31, 2006.

Ronald J. Horner served at District Court 49-2-01 from January 1, 2007 to December 31, 2007.



DISTRICT COURT 49-2-01  
CENTRE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2007

Finding - Late Payments To The Department Of Revenue

Our examination disclosed that the final payment of the month, for the Commonwealth's portion of fines, costs, fees, and surcharges collected, was transmitted late for 16 of the 24 months examined. The following schedule identifies the late payments:

<u>Month/Year</u>	<u>Due Date</u>	<u>Date Issued</u>	<u>Amount</u>
May-06	06/05/06	06/07/06	\$ 6,464.31
Jun-06	07/05/06	07/13/06	8,714.77
Jul-06	08/07/06	08/10/06	10,749.60
Aug-06	09/05/06	09/12/06	6,273.67
Sep-06	10/05/06	10/13/06	9,996.57
Oct-06	11/06/06	11/07/06	4,031.00
Nov-06	12/05/06	12/06/06	9,683.83
Dec-06	01/05/07	01/10/07	4,507.60
Feb-07	03/05/07	03/07/07	4,315.60
Mar-07	04/05/07	04/10/07	11,408.60
Jun-07	07/05/07	07/06/07	11,274.50
Jul-07	08/06/07	08/08/07	5,288.90
Aug-07	09/05/07	09/14/07	9,396.12
Sep-07	10/05/07	10/10/07	14,747.08
Oct-07	11/05/07	11/07/07	7,462.07
Nov-07	12/05/07	12/10/07	12,684.27
			\$ 136,998.49

Additionally, 50 of the 105 weekly payments tested were not transmitted timely.

The above-noted conditions resulted in the Department of Revenue not receiving Commonwealth monies in a timely manner.

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 the district court generate the "No" run and "Yes" run reports on a weekly basis. The "Yes" run creates a check to the Department of Revenue consisting of the week's collections. Additionally, Section 901 of *The Fiscal Code* requires that all collections be remitted by the fifth of the following month.

Adherence to Section 901 of *The Fiscal Code* and the uniform internal control policies and procedures, as set forth in the Manual, would have ensured that there were adequate internal controls over payments to the Department of Revenue.

DISTRICT COURT 49-2-01  
CENTRE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2007

Finding - Late Payments To The Department Of Revenue (Continued)

Recommendation

We recommend that the district court transmit the Commonwealth's portion of fines and costs as required by the Manual and Section 901 of *The Fiscal Code*.

Management's Response

The Assistant Court Administrator responded as follows:

At the recent exit conference interview for Magisterial District 49-2-01, one finding was that checks were not submitted to the State in a timely manner over the audit period of 2006-2007. At that time, this office was vacant, and Senior Magisterial Judges were assigned on a rotating basis. As Assistant Court Administrator, I was responsible for signing all checks and, as such, would be responsible if these checks were not submitted timely. Under these circumstances, I request that this explanation be noted as part of the audit.

Auditor's Conclusion

Although we recognize the Assistant Court Administrator's concerns about staffing, it is imperative that payments to the Department of Revenue are made timely.

DISTRICT COURT 49-2-01  
CENTRE COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2007

This report was initially distributed to:

The Honorable Stephen H. Stetler  
Secretary  
Pennsylvania Department of Revenue

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

District Court 49-2-01  
Centre County  
1524 West College Avenue  
State College, PA 16801

The Honorable Leslie A. Dutchcot	Magisterial District Judge
The Honorable Charles L. Witmer	Controller
The Honorable Jon W. Eich	Chairman of the Board of Commissioners
Ms. Maxine O. Ishler	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).