



DISTRICT COURT 53-3-01

LAWRENCE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2005 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 53-3-01, Lawrence County, Pennsylvania (District Court), for the period January 1, 2005 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*.

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, 2007, 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 reporting on the Statement:

- Failure To Properly Complete The Certification Of Disposition Section On Non-Traffic And Certain Traffic Citations.

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. However, we believe that the significant deficiency described above is not 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.

March 16, 2009

JACK WAGNER
Auditor General



DISTRICT COURT 53-3-01
LAWRENCE COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Receipts:

Department of Transportation		
Title 75 Fines	\$ 237,056	
Motor Carrier Road Tax Fines	25	
Overweight Fines	2,700	
Commercial Driver Fines	1,000	
Littering Law Fines	113	
Child Restraint Fines	494	
Department of Revenue Court Costs	97,147	
Crime Victims' Compensation Bureau Costs	23,703	
Crime Commission Costs/Victim Witness Services Costs	17,443	
Department of Public Welfare		
Domestic Violence Costs	5,934	
Attend Care Fines	262	
Department of Agriculture Fines	842	
Fish and Boat Commission Fines	661	
Game Commission Fines	2,784	
Emergency Medical Service Fines	38,234	
CAT/MCARE Fund Surcharges	121,095	
Judicial Computer System Fees	49,027	
Access to Justice Fees	11,308	
Constable Service Surcharges	4,109	
Firearm Education and Training Costs	50	
State Police Crime Lab Fees	108	
Miscellaneous State Fines	1,726	
	<hr/>	
Total receipts (Note 2)	\$ 615,821	
Disbursements to Commonwealth (Note 3)	<hr/>	(615,821)
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, 2007		<hr/> <hr/> \$ -

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

DISTRICT COURT 53-3-01
LAWRENCE COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 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

Total disbursements are comprised as follows:

District Court checks issued to:

Department of Revenue	<u>\$ 615,821</u>
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2005 To December 31, 2007

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

5. Magisterial District Judges Serving During Examination Period

Samuel A. Battaglia served at District Court 53-3-01 for the period January 1, 2005 to December 31, 2005.

Jerry G. Cartwright, Jr. served at District Court 53-3-01 for the period January 1, 2006 to December 31, 2007.

DISTRICT COURT 53-3-01
LAWRENCE COUNTY
FINDING AND RECOMMENATIONS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Finding - Failure To Properly Complete The Certification Of Disposition Section On Non-Traffic And Certain Traffic Citations

During our examination of the district court's case files, we noted:

- Of 19 non-traffic citations tested in which the certification of disposition section was required to be signed by the Magisterial District Judge, 5 were not signed.
- On traffic citations, we tested cases that were disposed by hearings. We also tested citations that were dismissed, discharged, or withdrawn. Of 26 traffic citations tested in which the certification of disposition section was required to be signed by the Magisterial District Judge, 4 were not signed and 7 were signed with a facsimile signature stamp.

Per interview, the Magisterial District Judge authorized the use of his signature stamp to certify the disposition of cases and the signature stamp was not always in the Magisterial District Judge's possession.

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 Magisterial District Judge sign and seal the certification of disposition section on non-traffic and traffic citations except for traffic citations in which the defendant pleads guilty and makes payment in full. The certification of disposition section is not one of the forms authorized by the Administrative Office of Pennsylvania Courts where a Magisterial District Judge can use a facsimile signature in lieu of an original signature.

Good internal controls ensure that effective measures are implemented to protect against inappropriate use of the Magisterial District Judge's signature. Only the Magisterial District Judge should have access to the facsimile signature stamp and the stamp should be stored in a secured location.

The failure to properly complete the certification of disposition section as required results in a lack of evidence that the disposition was reviewed and authorized by the Magisterial District Judge. Without these controls, there is an increase in risk that funds could be lost or misappropriated.

Adherence to good internal 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 citations.

DISTRICT COURT 53-3-01
LAWRENCE COUNTY
FINDING AND RECOMMENATIONS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2007

Finding - Failure To Properly Complete The Certification Of Disposition Section On Non-Traffic And Certain Traffic Citations (Continued)

Recommendations

We recommend that the Magisterial District Judge sign and seal the non-traffic and traffic citation certification of disposition section in accordance with the Manual. We also recommend that the district court implement good internal controls over the access to the facsimile signature stamp by restricting the availability of the facsimile signature stamp to the Magisterial District Judge only.

Management's Response

No formal response was offered at this time.

DISTRICT COURT 53-3-01
LAWRENCE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2005 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 53-3-01
Lawrence County
607 Lawrence Avenue
Ellwood City, PA 16117

The Honorable Jerry G. Cartwright, Jr.	Magisterial District Judge
Mr. Michael A. Occhibone	District Court Administrator
The Honorable David Gettings	Controller
The Honorable Steve Craig	Chairman of the Board of Commissioners

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.