



DISTRICT COURT 58-3-02

MIFFLIN COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2006 TO DECEMBER 31, 2008

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## Independent Auditor's Report

The Honorable C. Daniel Hassell  
Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 58-3-02, Mifflin 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:

- Deposit Slips Were Not Always Properly Prepared.
- Evidence Of Authorizing The Disposition Of Citations Was Not Available And Improper Safeguarding Of Facsimile Signature Stamp.
- 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 two bulleted deficiencies to be material weaknesses.

Independent Auditor's Report (Continued)

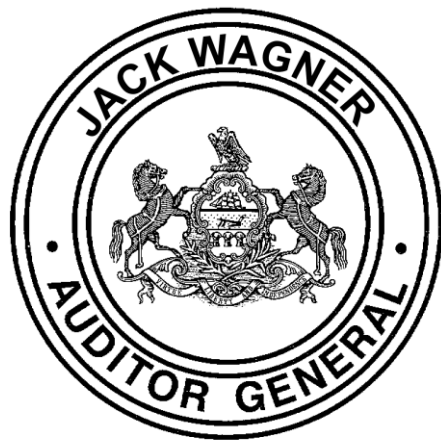
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 the signing of the certification of disposition section of citations and depositing of collections 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.

May 12, 2010

JACK WAGNER  
Auditor General



DISTRICT COURT 58-3-02  
 MIFFLIN COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2006 TO DECEMBER 31, 2008

Receipts:

Department of Transportation		
Title 75 Fines	\$	252,520
Motor Carrier Road Tax Fines		200
Overweight Fines		334
Commercial Driver Fines		2,000
Littering Law Fines		450
Child Restraint Fines		150
Department of Revenue Court Costs		155,195
Crime Victims' Compensation Bureau Costs		69,051
Crime Commission Costs/Victim Witness Services Costs		50,407
Domestic Violence Costs		15,482
Department of Conservation and Natural Resources Fines		2,000
Department of Agriculture Fines		8,233
Fish and Boat Commission Fines		530
Game Commission Fines		2,614
Department of State Fines		7,445
Emergency Medical Service Fines		54,492
CAT/MCARE Fund Surcharges		182,670
Judicial Computer System Fees		76,032
Access to Justice Fees		18,749
Constable Service Surcharges		9,934
Department of Labor and Industry Fines		148
Miscellaneous State Fines		171
		<hr/>
Total receipts (Note 2)		\$ 908,807
Disbursements to Commonwealth (Note 3)		<hr/> 908,807
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2006 to December 31, 2008		<hr/> <hr/> \$ -

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

DISTRICT COURT 58-3-02  
MIFFLIN 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	\$ 908,807
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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

Barbara A. Clare served at District Court 58-3-02 for the period January 1, 2006 to December 31, 2008.



DISTRICT COURT 58-3-02  
MIFFLIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2008

Finding No. 1 - Deposit Slips Were Not Always Properly Prepared

Our review of the district court's deposit slips disclosed that the office did not always list the actual amounts of cash and checks collected for the day. Two of 45 deposits tested had a mix of cash and checks recorded on the deposit slips that did not agree with the mix of cash and checks recorded on the accounting records. The district court included personal checks and a defendant's refund check with these two deposits and this caused the cash totals for the day to be understated.

Good internal accounting controls require that the amount of each check and the total amount of cash deposited are identified on the deposit slip. These totals should agree with the daily cash balance report.

Without a good system of internal control over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

Recommendation

We recommend that all monies collected are deposited intact at the bank on the same day as collected.

Management's Response

No formal response was offered at this time.

DISTRICT COURT 58-3-02  
MIFFLIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2008

Finding No. 2 - Evidence Of Authorizing The Disposition Of Citations Was Not Available And  
Improper Safeguarding Of Facsimile Signature Stamp

During our examination of the district court's case files, we tested 41 cases with dispositions of not guilty, dismissed, discharged, or withdrawn. There was no evidence in these cases that the disposition was authorized by the Magisterial District Judge. In addition, the certification of disposition section of the citation was signed with a facsimile signature stamp in 37 cases.

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 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 accounting controls ensure that there is evidence that the disposition on these cases was authorized by the Magisterial District Judge. Only the Magisterial District Judge should have access and use of the facsimile signature stamp and the stamp should be stored in a secured location. The failure to follow these procedures increases the risk for funds to be lost or misappropriated.

Adherence to good internal controls would have ensured that there were adequate internal controls over citations.

Recommendations

We recommend that there is evidence authorizing the disposition on these cases by the Magisterial District Judge and is available for examination. We also recommend that the district court implement good internal controls over the access to the facsimile signature stamp by restricting the availability and use of the facsimile signature stamp to only the Magisterial District Judge.

Management's Response

No formal response was offered at this time.

DISTRICT COURT 58-3-02  
MIFFLIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
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Finding No. 3 - 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 19 instances in which a warrant was required to be issued. Our testing disclosed that 13 were not issued timely and 1 was not issued at all. The time of issuance ranged from 63 days to 578 days.

Furthermore, we tested 12 instances in which a DL-38 was required to be issued. Our testing disclosed that four were not issued timely and one was not issued at all. The time of issuance ranged from 97 days to 799 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.

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.

DISTRICT COURT 58-3-02  
MIFFLIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2008

Finding No. 3 - Inadequate Arrest Warrant And DL-38 Procedures (Continued)

- 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.

**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 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.

DISTRICT COURT 58-3-02  
MIFFLIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
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JANUARY 1, 2006 TO DECEMBER 31, 2008

Finding No. 3 - Inadequate Arrest Warrant And DL-38 Procedures (Continued)

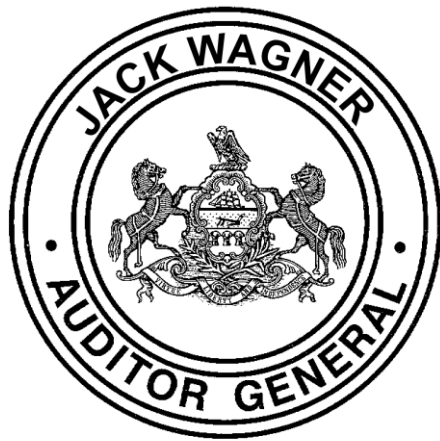
This finding was cited in the prior examination period ending December 31, 2005.

Recommendation

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.

Management's Response

No formal response was offered at this time.



DISTRICT COURT 58-3-02  
MIFFLIN COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2006 TO DECEMBER 31, 2008

This report was initially distributed to:

The Honorable C. Daniel Hassell  
Secretary  
Pennsylvania Department of Revenue

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

District Court 58-3-02  
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310 South Main Street  
Suite I  
Yeagertown, PA 17099

The Honorable Barbara A. Clare

Magisterial District Judge

The Honorable Mark A. Sunderland

Chairman of the Board of Commissioners

Ms. Melissa K. Fultz

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).