



**DISTRICT COURT 44-3-02**  
**WYOMING COUNTY**  
**EXAMINATION REPORT**  
**FOR THE PERIOD**  
**JANUARY 1, 2009 TO DECEMBER 31, 2011**

*Released April 2013*

**COMMONWEALTH OF PENNSYLVANIA**  
**EUGENE A. DEPASQUALE - AUDITOR GENERAL**  
**DEPARTMENT OF THE AUDITOR GENERAL**



DISTRICT COURT 44-3-02

WYOMING COUNTY

EXAMINATION REPORT

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## CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Financial Section:	
Statement Of Receipts And Disbursements.....	5
Notes To The Statement Of Receipts And Disbursements.....	6
Finding And Recommendation:	
Finding - Bank Deposit Slips Were Not Validated .....	9
Report Distribution .....	11



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

### Independent Auditor's Report

The Honorable Daniel P. Meuser  
Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of District Court 44-3-02, Wyoming County, Pennsylvania (District Court), for the period January 1, 2009 to December 31, 2011, 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 January 1, 2009 to December 31, 2011, 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 the reporting on the Statement:

- Bank Deposit Slips Were Not Validated.

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.

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*.

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.

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale", with a long horizontal flourish extending to the right.

March 1, 2013

**EUGENE A. DEPASQUALE**  
Auditor General



DISTRICT COURT 44-3-02  
WYOMING COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2009 TO DECEMBER 31, 2011

Receipts:

Department of Transportation		
Title 75 Fines	\$	110,807
Motor Carrier Road Tax Fines		100
Overweight Fines		1,959
Commercial Driver Fines		1,000
Littering Law Fines		364
Child Restraint Fines		10
Department of Revenue Court Costs		52,286
Crime Victims' Compensation Bureau Costs		12,153
Crime Commission Costs/Victim Witness Services Costs		8,697
Domestic Violence Costs		2,831
Department of Agriculture Fines		1,830
Emergency Medical Service Fines		21,633
CAT/MCARE Fund Surcharges		66,879
Game Commission Costs		1,503
Judicial Computer System Fees		26,868
Access to Justice Fees		7,352
Criminal Justice Enhancement Account Fees		1,428
Judicial Computer Project Surcharges		6,505
Constable Service Surcharges		3,469
Miscellaneous State Fines		11,208
		<hr/>
Total receipts (Note 2)		338,882
Disbursements to Commonwealth (Note 3)		<hr/> (338,882)
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2009 to December 31, 2011	\$	<hr/> <hr/> -

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



DISTRICT COURT 44-3-02  
 WYOMING COUNTY  
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2009 TO DECEMBER 31, 2011

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	\$	337,379
	Game Commission		1,503
	Total	\$	<u>338,882</u>

4. Balance Due Commonwealth (District Court) For The Period January 1, 2009 To December 31, 2011

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of any receipts disbursed directly to other state agencies.

DISTRICT COURT 44-3-02  
WYOMING COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
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5. Magisterial District Judge Serving During Examination Period

Carl W. Smith served at District Court 44-3-02 for the period January 1, 2009 to December 31, 2011.



DISTRICT COURT 44-3-02  
WYOMING COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
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Finding - Bank Deposit Slips Were Not Validated

Our examination of the district court's accounting records disclosed that the office copy of the bank deposit slip was not validated by the bank in 35 of the 45 deposits tested. The district court received a validated receipt from the bank, but this only confirmed the total amount deposited and not the actual make up of the deposit (i.e. cash and check mix).

Good internal accounting controls require that the amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit should be brought to the bank to be validated.

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

The district court was not aware of the potential internal control weaknesses caused by not having a validated deposit slip.

Recommendation

We recommend that the district court secure the bank's validation on the court's copy of the deposit slip.

Management's Response

The Magisterial District Judge responded as follows:

We have just completed our exit conference with the field auditor. Even though we only have one written comment, I feel that I need to respond.

Sometime during the three year period, the bank that we use decided that they were no longer going to validate deposit slips. The only thing that they were going to return to us was the receipt showing the total that we deposited. They told us that they did not even want listing of the checks that were being deposited. Please keep in mind that we were dealing with the new computer systems at the same time.

The bank agreed to keep accepting the slips and returning them to us without any stamps on them. Once the slips were returned I checked them and compared them to the daily computer print out which broke them down between cash and checks.

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FINDING AND RECOMMENDATION  
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Finding - Bank Deposit Slips Were Not Validated (Continued)

Management's Response (Continued)

It continued this way until I was told by a fellow judge that the auditors were going to be looking for cashier stamps on the deposit slip. I went to our bank and told them that it would be required from now and they said they could not do it. I told them that I would have to change my own account to a different bank and they changed their mind and cashiers' stamps were put on our deposit slips since then.

I could understand this being an observation but I feel that it is a little harsh including it as a written finding given the fact that as soon as we knew that it would be important in the audit the change was made.

Auditor's Conclusion

We appreciate the district court's efforts to comply with our recommendation. Our testing of eight bank deposit slips after June 9, 2011 revealed no discrepancies.

DISTRICT COURT 44-3-02  
WYOMING COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
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This report was initially distributed to:

The Honorable Daniel P. Meuser  
Secretary  
Pennsylvania Department of Revenue

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

The Honorable Carl W. Smith

Magisterial District Judge

The Honorable Judy K. Mead

Chairperson of the Board of Commissioners

Ms. Alma F. Custer

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, 231 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).