

COMPLIANCE AUDIT

District Court 08-3-03
Northumberland County, Pennsylvania
For the Period
January 1, 2019 to December 31, 2022

September 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the District Court 08-3-03, Northumberland County, Pennsylvania (District Court), for the period January 1, 2019 to December 31, 2022, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c).

The objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Department of Revenue to allow the Department of Revenue to state and settle the District Court's account. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The District Court is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The District Court is also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

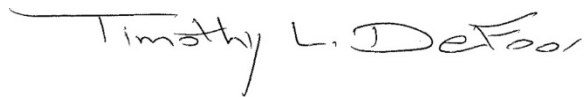
Based on our audit procedures, we conclude that, for the period January 1, 2019 to December 31, 2022, the District Court, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report.

- Inadequate Voided Receipt Procedures.

This report includes a summary of the District Court's receipts and disbursements of funds collected on behalf of the Commonwealth (summary). We obtained data representing the District Court's receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's district courts and used the data to create the summary in the format required by the Department of Revenue. We also evaluated the accuracy of the data as part of our audit to conclude on the District Court's compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Audit Adjustments* line of the summary; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summary.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. This report is not suitable for any other purposes.

The contents of this report were discussed with the management of the District Court and, where appropriate, their response has been included in the report. We appreciate the courtesy extended by the District Court 08-3-03, Northumberland County, to us during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
August 2, 2023

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DISTRICT COURT 08-3-03
NORTHUMBERLAND COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

The Department of Auditor General is mandated by Article IV, Section 401(c) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), 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.

District Court 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.

Total disbursements during the audit period are comprised as follows:

District Court checks issued to:

Department of Revenue	\$ 1,042,811
Game Commission	<u>800</u>
Total	<u><u>\$ 1,043,611</u></u>

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.

John Gembic served at District Court 08-3-03 for the period January 1, 2019 to December 31, 2022.

The summary of receipts and disbursements on the following page 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 summary 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.

DISTRICT COURT 08-3-03
 NORTHUMBERLAND COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2019 TO DECEMBER 31, 2022

Receipts:

Department of Transportation		
Title 75 Fines	\$	214,023
Motor Carrier Road Tax Fines		4,888
Littering Law Fines		927
Child Restraint Fines		654
Department of Revenue Court Costs		172,369
Crime Victims' Compensation Bureau Costs		20,697
Crime Commission Costs/Victim Witness Services Costs		14,967
Domestic Violence Costs		5,185
Department of Agriculture Fines		4,181
Emergency Medical Service Fines		60,816
CAT/MCARE Fund Surcharges		145,772
Judicial Computer System Fees		73,776
Access to Justice Fees		41,324
Criminal Justice Enhancement Account Fees		7,255
Judicial Computer Project Surcharges		119,373
Constable Service Surcharges		12,509
Miscellaneous State Fines and Costs		<u>144,895</u>
 Total receipts		 1,043,611
 Disbursements to Commonwealth		 <u>(1,043,611)</u>
 Balance due Commonwealth (District Court) per settled reports		 -
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (District Court) for the period January 1, 2019 to December 31, 2022	 \$	 <u><u>-</u></u>

DISTRICT COURT 08-3-03
NORTHUMBERLAND COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

Finding - Inadequate Voided Receipt Procedures

Our audit disclosed that proper voided receipt procedures were not always followed. Of 12 receipts tested, we noted the following:

- 12 case files contained no evidence of supervisory authorization of the voided receipt.
- Five case files did not contain the original voided receipt.
- Four case files did not contain documentation as to the reason the receipt was voided. Instead, the office used a generic “Erroneous Entry” code rather than a more detailed explanation as to the reason for the void.

Good internal accounting controls require that if a receipt must be voided, proper documentation and authorization should be maintained to explain the reason for the void.

Adherence to the uniform internal control structure policies and procedures, as set forth in the *District Justice Automated Office Clerical Procedures Manual*, would have ensured adequate internal controls over voided receipts.

We were unable to determine the cause of this condition.

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

Recommendations

We recommend that the district court implement procedures to ensure that voided receipt procedures required by the *District Justice Automated Office Clerical Procedures Manual* are followed. Specifically, all voided receipts should be properly accounted for and maintained. All case files should have proper documentation explaining the reason for the voids, the original voided receipt and evidence of proper supervisory authorization of the void.

DISTRICT COURT 08-3-03
NORTHUMBERLAND COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

Finding - Inadequate Voided Receipt Procedures (Continued)

Management's Response

The Magisterial District Judge stated:

Our office is now aware of these issues, and in the future, we will correct them.

Auditor's Conclusion

We appreciate the officeholder's efforts to correct these issues. During our next audit, we will determine if the district court complied with our recommendations.

DISTRICT COURT 08-3-03
NORTHUMBERLAND COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

Summary Of Prior Audit Recommendations

During our prior audit, we recommended that the district court:

- Review the undisbursed funds report on a monthly basis and take appropriate action and disburse funds to whom they are due. Additionally, we recommended the judge review, initial, and date the undisbursed funds report to ensure proper accountability over escrow funds.
- Initiate procedures to ensure that all cases are properly filed and contain appropriate documents as outlined in the Manual.

During our current audit, we noted that the district court complied with our recommendations. The second bulleted recommendation related to case files that could not be located.

DISTRICT COURT 08-3-03
NORTHUMBERLAND COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2019 TO DECEMBER 31, 2022

This report was initially distributed to:

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable John Gembic
Magisterial District Judge

The Honorable Samuel Schiccatano
Chairman of the Board of Commissioners

The Honorable Chris Grayson
Controller

Mr. Kevin F. O'Hearn
District Court Administrator

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.