

# ATTESTATION ENGAGEMENT

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District Court 12-1-01  
Dauphin County, Pennsylvania  
For the Period  
January 1, 2016 to July 31, 2019

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April 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

### 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 12-1-01, Dauphin County, Pennsylvania (District Court), for the period January 1, 2016 to July 31, 2019, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c). The District Court's management is responsible for presenting this Statement in accordance with the criteria set forth in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statement is presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statement of receipts and disbursements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Statement, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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, for the period January 1, 2016 to July 31, 2019, is presented in accordance with the criteria set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statement; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statement. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness:

- Inadequate Voided Receipt Procedures.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency listed below to be a significant deficiency:

- Inadequate Arrest Warrant And DL-38 Procedures - Recurring.

Independent Auditor's Report (Continued)

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the District Court's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The first examination finding contained in this report cites conditions that existed in the operation of the District Court during the previous engagement period and were not corrected during the current examination period. The District Court should strive to implement the recommendations and corrective actions noted in this report.

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.

We appreciate the courtesy extended by the District Court 12-1-01, Dauphin County, to us during the course of our examination. If you have any questions, please feel free to contact Bureau of County Audits at 717-787-1363.



Eugene A. DePasquale  
Auditor General

March 13, 2020

## CONTENTS

	<u>Page</u>
Financial Section:	
Statement Of Receipts And Disbursements.....	1
Notes To The Statement Of Receipts And Disbursements.....	2
Findings And Recommendations:	
Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring .....	3
Finding No. 2 - Inadequate Voided Receipt Procedures .....	6
Summary Of Prior Examination Recommendations.....	8
Report Distribution .....	9

DISTRICT COURT 12-1-01  
 DAUPHIN COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2016 TO JULY 31, 2019

Receipts:

Department of Transportation		
Title 75 Fines	\$	381,055
Motor Carrier Road Tax Fines		1,000
Overweight Fines		150
Littering Law Fines		425
Child Restraint Fines		5,712
Department of Revenue Court Costs		332,789
Crime Victims' Compensation Bureau Costs		38,857
Crime Commission Costs/Victim Witness Services Costs		26,525
Domestic Violence Costs		8,745
Department of Agriculture Fines		400
Emergency Medical Service Fines		103,831
CAT/MCARE Fund Surcharges		214,987
Judicial Computer System Fees		142,268
Access to Justice Fees		63,186
Criminal Justice Enhancement Account Fees		16,253
Judicial Computer Project Surcharges		184,672
Constable Service Surcharges		25,754
Miscellaneous State Fines and Costs		563,868
		<hr/>
Total receipts (Note 2)		2,110,477
Disbursements to Commonwealth (Note 3)		<hr/> (2,110,477)
Balance due Commonwealth (District Court) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2016 to July 31, 2019	\$	<hr/> <hr/> -

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

DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

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>\$ 2,110,477</u>
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4. Balance Due Commonwealth (District Court) For The Period January 1, 2016 To July 31, 2019

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

5. Magisterial District Judge Serving During Examination Period

James A. Lenker served at District Court 12-1-01 for the period January 1, 2016 to July 31, 2019.

DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

**Finding No. 1 - Inadequate Arrest Warrant and DL-38 Procedures - Recurring**

We cited the issue of inadequate arrest warrant and DL-38 procedures in the prior examination report for the period January 1, 2013 to December 31, 2015. Our current examination found that the office did not correct this issue.

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 43 instances in which a warrant was required to be issued. Our testing disclosed that 27 were not issued timely and two were not issued at all. The time of issuance ranged from 63 days to 326 days.

In addition, of 33 warrants required to be returned or recalled, nine were not returned or recalled, and 13 were not returned timely. The time of issuance to the time of return ranged from 182 days to 1,129 days.

Furthermore, we tested 20 instances in which a DL-38 was required to be issued. Our testing disclosed that 14 were not issued timely and one was not issued at all. The time of issuance ranged from 63 days to 194 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. 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.



DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

**Finding No. 1 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)**

According to Pa.R.Crim.P. 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.
- 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.

**Warrant Return Procedures:** The Manual states that the Administrative Office of Pennsylvania Courts (AOPC) recommends that those in possession of arrest warrants should be notified to return warrants that have not been served. For summary traffic and non-traffic cases, outstanding warrants should be returned to the Magisterial District Judge's office within 60 days of issuance. Returned warrants can either be recorded in the Magisterial District Judge System (MDJS) as unserved, if the defendant is unable to be located; or they can be recalled for reissue, if the server has not exhausted all means of finding the defendant.

**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. §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).

DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

**Finding No. 1 – Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)**

In addition, 75 Pa.C.S. §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.

These conditions existed because the district court failed to review the tickler reports for warrants and DL-38s and warrant control reports as recommended in the prior examination report. 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.

Recommendations

We again strongly recommend that the district court review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommend that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 60 days for summary traffic and non-traffic cases as recommended by the Manual.

Management's Response

The Deputy District Court Administrator responded as follows:

I have had discussions with both the Magisterial District Judge and the Office Manager regarding this finding from the most recent examination. It was relayed to them the importance of taking appropriate actions on cases with warrants and DL-38s as needed. Reviewing and maintaining the warrant and DL-38 tickler reports in a timely manner will be a focus moving forward.

Auditor's Conclusion

We appreciate the district court's efforts to correct these issues. This is a recurring finding. It is imperative that the district court take all corrective actions necessary to comply with our recommendations. During our next examination, we will determine if the office complied with our recommendations.

DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

**Finding No. 2 - Inadequate Voided Receipt Procedures**

Our examination disclosed that proper voided receipt procedures were not always followed. Of 20 receipts tested, we noted the following:

- There were eight receipts with insufficient documentation as to the reason why the receipt was voided. Of the eight voided receipts, there was one instance in which it could not be determined if the voided receipt was replaced with another receipt to document that the transaction was actually recorded into the computer system.
- Office staff can complete voided transaction adjustments without supervisory review and approval.

Good internal accounting controls require that if a receipt must be voided, proper documentation should be maintained to explain the reason for the void. In addition, someone independent from the transaction should review and sign documentation to ensure that the voided receipt was valid.

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

This condition existed because the office failed to establish and implement adequate system of internal control procedures over its voided receipt procedures.

**Recommendations**

We recommend that the office establish and implement an adequate system of internal controls over voided receipts as noted above. All voided receipts should have proper documentation explaining the reason for the void. In addition, someone independent of the transaction should review voided receipts to ensure the void was necessary.

DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

**Finding No. 2 - Inadequate Voided Receipt Procedures (Continued)**

Management's Response

The Deputy District Court Administrator responded as follows:

This office will establish internal controls when a payment is voided. This will include proper documentation in the system of the reasoning behind the void, as well as verification from management of all voided transactions and to make sure that a replacement receipt was generated, if needed.

In addition to the response of our intended corrections moving forward, I am compelled to elaborate on this finding. Please take note that this office intentionally asked for this specific issue to be examined more closely due to their own concerns. The Magisterial District Judge was open and honest that he felt that voided transactions may be a concern in his office – not necessarily out of fear that funds were being misplaced or stolen, but more for the fact that he thought they may have had more than necessary and wanted to make sure that, if true, they could implement the necessary internal controls to address the issue. It is very possible that without his request for additional scrutiny, this may not have been discovered. At the exit conference, we stated our case that we believe this should have been an oral comment instead of a finding. We maintain this position and believe that this should not have been a written finding for this examination period.

Auditor's Conclusion

We appreciate the district court's efforts to correct these issues. We strongly recommend that the district court take all corrective action necessary to comply with our recommendations. As stated above, without a good system of internal control over voids made by the office, the potential is increased that funds could be lost, stolen, or misappropriated.

Regarding the district court's request to have this issue communicated as an oral comment as opposed to a finding, Government Auditing Standards requires us to include material weaknesses in the examination report regardless of whether or not the audited entity requested an evaluation of the internal controls related to the material weakness. Therefore, the finding remains as stated.

DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

Summary Of Prior Examination Recommendations

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

- Review the tickler reports for warrants and DL-38s daily and take appropriate action as required by the Manual. We further recommended that the court review warrant control reports and notify police or other officials to return warrants that are unserved for 60 days for summary traffic and non-traffic cases as recommended by the Manual.

During our current examination, we noted that the district court did not comply with our recommendations. Please see the current year Finding No. 1 for additional information.

DISTRICT COURT 12-1-01  
DAUPHIN COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2016 TO JULY 31, 2019

This report was initially distributed to:

**The Honorable C. Daniel Hassell**  
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 James A. Lenker**  
Magisterial District Judge

**The Honorable Jeff Haste**  
Chairperson of the Board of Commissioners

**The Honorable Timothy DeFoor**  
Controller

**Deborah S. Freeman, Esquire**  
District Court Administrator

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:news@PaAuditor.gov).