

COMPLIANCE AUDIT

District Court 10-1-05 Westmoreland County, Pennsylvania For the Period January 1, 2016 to December 31, 2019

November 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

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

We have conducted a compliance audit of the District Court 10-1-05, Westmoreland County, Pennsylvania (District Court), for the period January 1, 2016 to December 31, 2019, 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 that the district court complies 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, 2016 to December 31, 2019, 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:

- Improper Use of The Magisterial District Judge's User ID And Password.

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 10-1-05, Westmoreland 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.



Eugene A. DePasquale
Auditor General

October 28, 2020

CONTENTS

	<u>Page</u>
Background.....	1
Summary Of Receipts And Disbursements	2
Finding And Recommendation:	
Finding - Improper Use of The Magisterial District Judge's User ID And Password	3
Summary Of Prior Audit Recommendations	5
Report Distribution	6

DISTRICT COURT 10-1-05
WESTMORELAND COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

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	<u>\$ 482,819</u>
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This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

Frank J. Pallone served at District Court 10-1-05 for the period January 1, 2016 to December 31, 2019.

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 10-1-05
WESTMORELAND COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

Receipts:

Department of Transportation		
Title 75 Fines	\$	62,537
Littering Law Fines		135
Child Restraint Fines		225
Department of Revenue Court Costs		129,118
Crime Victims' Compensation Bureau Costs		8,905
Crime Commission Costs/Victim Witness Services Costs		6,377
Domestic Violence Costs		2,450
Department of Agriculture Fines		390
Emergency Medical Service Fines		15,169
CAT/MCARE Fund Surcharges		46,948
Judicial Computer System Fees		42,889
Access to Justice Fees		22,597
Criminal Justice Enhancement Account Fees		8,021
Judicial Computer Project Surcharges		79,779
Constable Service Surcharges		14,272
Miscellaneous State Fines and Costs		43,007
		<hr/>
Total receipts		482,819
Disbursements to Commonwealth		<hr/> (482,819)
Balance due Commonwealth (District Court) per settled reports		-
Audit adjustments		<hr/> -
Adjusted balance due Commonwealth (District Court) for the period January 1, 2016 to December 31, 2019	\$	<hr/> <hr/> -

DISTRICT COURT 10-1-05
WESTMORELAND COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

Finding - Improper Use of The Magisterial District Judge's User ID And Password

During our audit of the district court, we found that the Magisterial District Judge's computer was moved to the front counter to be used as a shared terminal by staff for collections made at the window. Each morning, one staff person would log into the Judge's computer using the Judge's user ID and password in order for staff to record collections at the window. All office staff had access to the Judge's User ID and password.

Good internal accounting controls ensure that users logging into the system use their own unique user ID and password in order for all transactions to be recorded by the individual processing the funds. User IDs and passwords should be adequately safeguarded and not shared with anyone.

Without an adequate system of internal controls over User IDs and passwords, the possibility that unauthorized access may occur and go unnoticed increases significantly. In addition, the lack of adequate control over the Judge's User ID and password prevents the district court from maintaining an adequate audit trail.

This condition existed because the staff did not want to log out of their own computer terminals and log into the window terminal every time they needed to process transactions at the window.

Recommendation

We recommend that the district court establish and implement adequate internal controls over the Magisterial District Judge's User ID and password. All staff should be required to process transactions using their own unique User ID and password to ensure that an adequate audit trail is maintained.

Management's Response

The Magisterial District Judge responded as follows:

The sign-on at the front counter was either entered by the Magisterial District Judge or staff member with permission of the judge. The terminal was utilized for payments at the window and the staff member was required by the judge to enter their name or initials in the receipt screen so that each payment processed was able to be identified by the staff member name. This procedure in the judge's opinion, at the time, did not prevent the maintaining of adequate audit trail. However, that process has been curtailed and is no longer utilized. As stated in the finding, the only reason this was done, was to expedite payments at the window.

DISTRICT COURT 10-1-05
WESTMORELAND COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

**Finding - Improper Use of The Magisterial District Judge's User ID And Password
(Continued)**

Auditor's Conclusion

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

DISTRICT COURT 10-1-05
WESTMORELAND COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

Summary Of Prior Audit Recommendations

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

- Assess server fees at the amounts established by the Sheriff Fee Act. In addition, the fees assessment should be documented in each case file to ensure that service was actually performed. Documentation should include the date and type of service performed.

During our current audit, we noted that the district court complied with our recommendations.

DISTRICT COURT 10-1-05
WESTMORELAND COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 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 Frank J. Pallone
Magisterial District Judge

The Honorable Sean Kertes
Chairperson of the Board of Commissioners

The Honorable Jeffrey Balzer
Controller

Ms. Amy M. DeMatt, Esq.
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.