

COMPLIANCE AUDIT

District Court 12-1-01
Dauphin County, Pennsylvania
For the Period
August 1, 2019 to December 31, 2022

May 2024



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 12-1-01, Dauphin County, Pennsylvania (District Court), for the period August 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 August 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 findings listed below and discussed later in this report:

- Inadequate Internal Control Over Manual Receipts.
- Inadequate Arrest Warrant And DL-38 Procedures - Recurring.
- Escrow Monies Not Always Disbursed Timely.

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 District Court's management. We appreciate the courtesy extended to us by the Dauphin County District Court 12-1-01 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
February 12, 2024

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DISTRICT COURT 12-1-01
DAUPHIN COUNTY
BACKGROUND
FOR THE PERIOD
AUGUST 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 as follows:

District Court checks issued to:

Department of Revenue	\$ 1,597,549
Liquor Control Board	<u>204</u>
Total	<u><u>\$ 1,597,753</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.

James Lenker served at District Court 12-1-01 for the period August 1, 2019 to December 31, 2021.

Marian Urrutia served at District Court 12-1-01 for the period January 1, 2022 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 12-1-01
 DAUPHIN COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 AUGUST 1, 2019 TO DECEMBER 31, 2022

Receipts:

Department of Transportation		
Title 75 Fines	\$	330,971
Littering Law Fines		250
Child Restraint Fines		2,604
Department of Revenue Court Costs		288,982
Crime Victims' Compensation Bureau Costs		30,408
Crime Commission Costs/Victim Witness Services Costs		20,852
Domestic Violence Costs		7,125
Department of Agriculture Fines		200
Emergency Medical Service Fines		89,501
CAT/MCARE Fund Surcharges		183,884
Judicial Computer System Fees		101,283
Access to Justice Fees		60,385
Criminal Justice Enhancement Account Fees		13,416
Judicial Computer Project Surcharges		181,759
Constable Service Surcharges		19,470
Miscellaneous State Fines and Costs		<u>264,902</u>
 Total receipts		 1,595,993
 Disbursements to Commonwealth		 <u>(1,597,753)</u>
 Balance due Commonwealth (District Court) per settled reports		 (1,761)
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (District Court) for the period August 1, 2019 to December 31, 2022	 \$	 <u><u>(1,761)</u></u>

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Finding No. 1 - Inadequate Internal Control Over Manual Receipts

The Administrative Office of Pennsylvania Courts' (AOPC) policies require computer downtime manual receipts to be issued in the event of a temporary power loss to the district court's computer system. When the computer system is operating again, the computer downtime manual receipt should be replaced by an official computer-generated receipt and included in the daily receipts. When the AOPC's policies are not followed, the possibility that funds received by the District Court could be lost or misappropriated increases significantly.

Our audit disclosed that the district court did not issue any of the official computer-generated manual receipts during the audit period. We found that, in 2022, the court developed After-Hours Payment receipt forms for payments collected at the window after the daily cashier's session is closed out of the Magisterial District Justice System (MDJS). This receipt form contains the payor's name, amount of payment, method of payment, date of payment, docket number, address of the defendant, defendant's signature, and a witness signature. A copy of the signed After Hours Payment receipt form is provided to the payor and a copy is maintained by the district court. These payments are held in a locked box in the office manager's office until the next business day. On the following business day, a new cashier's session is opened in the MDJS System, and a corresponding computer receipt is generated by court staff. The computer receipt and After Hours Payment receipt form are filed in the appropriate case file. The district court does not maintain a log of the After Hours Payment receipt forms and these forms are not numbered. Therefore, we could not determine how many After Hours Payment manual receipt forms were used.

The *Magisterial District Judge Automated Office Clerical Procedures Manual* (Manual) establishes the uniform written internal control policies and procedures for all district courts. All monies collected by the district court should be processed on official serial numbered receipt forms and processed through the MDJS system. All receipts should be properly accounted for and maintained. If manual receipts are used, only official computer downtime manual receipts and the associated logs generated by the MDJS system should be used, accounted for, and maintained.

Good internal accounting controls ensure that only official computer downtime manual receipts and the associated logs generated by the MDJS system should be used, accounted for, and maintained.

The Office Manager stated that the court never turns away money and, therefore, they developed a system to collect payments after the MDJS daily session was closed.

Adherence to good internal accounting controls and the uniform internal control policies and procedures, as set forth in the Manual, would have ensured that there were adequate internal controls over collections. Failure to follow proper receipting procedures could result in lost or misappropriated funds.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Finding No. 1 - Inadequate Internal Control Over Manual Receipts (Continued)

Recommendation

We recommend that the district court establish and implement an adequate system of internal controls over manual receipts issued for payments collected at the end of the day. The court should only use the official computer-generated manual receipts from the MDJS system.

Management Response

No formal response was offered at this time.

Auditor Conclusion

As cited above, good internal controls ensure that only official computer downtime manual receipts and the associated logs generated by the MDJS system should be used, accounted for, and maintained. Failure to follow this procedure increases the risk for funds to be lost or misappropriated.

The CPCMS system does not require a shutdown of the system when the court closes its daily session for deposits. District courts typically begin the next session the same afternoon, which covers part of two business days until the end of that session the afternoon of the next business day. Other district courts use the official computer downtime manual receipts rather than opening another session.

During our next audit, we will determine if the district court complied with our recommendation.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring

We cited the issue of inadequate arrest warrant procedures in the two previous audits; the most recent for the period January 1, 2016 to July 31, 2019. Our current audit found that this district court 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 and DL-38s when required.

We tested 27 instances in which a warrant was required to be issued under Pa.R.Crim.P. 430(b)(1). Our testing disclosed that 11 were not issued timely. The time of issuance ranged from 61 days to 287 days.

We also tested 20 instances in which a warrant may be issued under Pa.R.Crim.P. 430(b)(3). Our testing disclosed that eight were not issued timely and two were not issued at all. The time of issuance ranged from 78 days to 266 days. These results do not include instances in which the Magisterial District Judge recently ordered a payment determination hearing, sentenced the defendant to jail time in lieu of payment, or sentenced the defendant to perform community service.

In addition, of 45 warrants required to be returned or recalled, 23 were not returned or recalled, and ten were not returned timely. The time of issuance to the time of return ranged from 174 days to 956 days.

Furthermore, we tested 20 instances in which a DL-38 was required to be issued. Our testing disclosed that eight were not issued timely. The time of issuance ranged from 66 days to 203 days.

The Manual establishes the uniform written internal control policies and procedures for all district courts.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

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.

According to Pa.R.Crim.P. 430(b)(1), 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.

According to Pa.R.Crim.P. 430 (b)(3), 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.

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 120 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.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

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 15 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. §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. Therefore, it is considered best business practice to issue warrants that fall under Pa.R.Crim.P. 430(b)(3) when other actions are not taken by the Magisterial District Judge to compel compliance by the defendant, such as ordering a payment determination hearing, sentencing to jail time in lieu of payment, or sentencing to perform community service.

The Court stated that it has been very busy making it difficult to review all warrants and DL-38s to determine status and follow-up.

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.

Recommendations

We strongly recommend that the district court review the tickler reports for warrants 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 120 days for summary traffic and non-traffic cases as recommended by the Manual.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Finding No. 2 - Inadequate Arrest Warrant And DL-38 Procedures - Recurring (Continued)

Management Response

No formal response was offered at this time.

Auditor Conclusion

This is a recurring finding. It is imperative that the district court take all steps necessary to comply with our recommendations. During our next audit, we will determine if the district court complied with our recommendations.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Finding No. 3 - Escrow Monies Not Always Disbursed Timely

Our audit of the undisbursed funds report indicated that escrow funds collected were not always disbursed timely. Of five collateral cases tested the following was noted:

- There were three cases that were not refunded timely. The time lapse from the date of disposition to the date of refund check ranged from 15 days to 71 days.
- There were two cases in which collateral monies were not applied to a case in a timely manner. The time lapse from the date of disposition to the date the funds were applied to the case ranged from 183 days to 260 days.

The district court's bank account is essentially an escrow account on behalf of the Commonwealth and other participating parties. The court collects bail, security for motor vehicle trials, and other funds that must be held in escrow until disposition of the case. Once a case has been disposed, funds held in escrow should be transferred to the appropriate account or disbursed immediately.

Good internal accounting controls require that funds be disbursed timely. The failure to follow this procedure could result in monies not being paid to whom they are due.

The district court failed to review the undisbursed funds report on a monthly basis and take appropriate action. Court staff stated that the office is very busy and therefore, escrow monies were not always applied and/or refunded timely.

Recommendation

We recommend that the District Court review the undisbursed funds report on a monthly basis and take appropriate action and disburse funds timely to whom they are due.

Management Response

No formal response was offered at this time.

Auditor Conclusion

During our next audit, we will determine if the district court complied with our recommendation.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

Summary Of Prior Audit Recommendations

During our prior audit, 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.
- Establish and implement an adequate system of internal controls over voided receipts. 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.

During our current audit, we noted that the district court complied with our second bulleted recommendation. However, the district court did not comply with our first bulleted recommendation. Please see the current year Finding No. 2 for additional information.

DISTRICT COURT 12-1-01
DAUPHIN COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
AUGUST 1, 2019 TO DECEMBER 31, 2022

This report was initially distributed to:

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue

The Honorable Andrea Tuominen
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Marian Urrutia
Magisterial District Judge

The Honorable George P. Hartwick, III
Chairperson of the Board of Commissioners

The Honorable Mary Bateman
Controller

Mr. Troy Petery
Deputy 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.