

COMPLIANCE AUDIT

District Court 13-3-03
Greene County, Pennsylvania
For the Period
January 1, 2020 to December 31, 2023

February 2025



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 13-3-03, Greene County, Pennsylvania (District Court), for the period January 1, 2020 to December 31, 2023, 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 the district court complied with state laws, regulations, and Administrative Office of Pennsylvania Courts (AOPC) policies and administrative procedures related to the collection of moneys on behalf of the Commonwealth, including whether moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted.

The procedures we performed are summarized below:

- Obtained data from the AOPC and the Pennsylvania Department of Revenue and determined whether:
 - Amounts provided by the AOPC match amounts received by the Department of Revenue.
 - The district court's distributions to the state agree with the data provided by the Department of Revenue.
- Compared collections by category of fines, fees, and surcharges for each year in the audit period to prior year collections and determined the reason(s) for any large or unusual variances.
- Evaluated data related to cases without collections or adjustments to fines, fees, or surcharges and, if considered necessary, evaluated selected cases to determine whether such cases were handled appropriately.
- Obtained an understanding of internal controls related to the audit objective.
- Determined the adequacy of the design and operating effectiveness of internal controls we considered significant to the audit objective.
- Evaluated deposits of collections for accuracy and timeliness.
- Determined whether disbursements were accurate.
- Determined whether manual receipts were accurate and properly recorded.
- Determined whether voided receipts were necessary and proper.

- Reviewed selected cases to determine if the district court properly assessed, collected, and recorded all applicable fines, costs, fees and surcharges.
- Determined whether the court complied with laws, regulations, and AOPC procedures related to the issuance and returns of warrants, collections related to warrants, and accounting for collections in the AOPC computer system.

Our audit was limited to the areas 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.

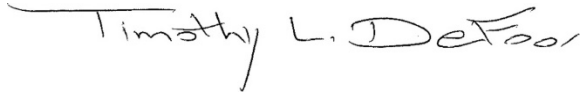
The district court is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, 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, 2020 to December 31, 2023, the district court, in all significant respects, complied with state laws, regulations, and AOPC policies and administrative procedures related to the collection of moneys on behalf of the Commonwealth, except as noted in the findings listed below and discussed later in this report:

- Bank Deposit Slips Were Not Validated.
- Inadequate Arrest Warrant and DL-38 Procedures.

This report includes a summary of the district court's receipts and disbursements of funds collected on behalf of the Commonwealth (summary), which the Department of Revenue may use to state and settle the district court's account. 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. Other than any adjustments that we considered necessary based on our audit work as disclosed in the *Proposed Audit Adjustments* line of the summary, nothing came to our attention to indicate inaccuracies in the amounts included in the summary.

The contents of this report were discussed with the District Court's management. We appreciate the courtesy extended to us by the Greene County District Court 13-3-03 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 horizontal line above the first few letters.

Timothy L. DeFoor
Auditor General
December 26, 2024

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DISTRICT COURT 13-3-03
GREENE COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

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	<u>\$ 771,325</u>
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This balance reflects the summary of monthly transmittal reports as provided by the Department of Revenue.

Leroy W. Watson served at District Court 13-3-03 for the period January 1, 2020 to December 31, 2023.

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 13-3-03
 GREENE COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2020 TO DECEMBER 31, 2023

Receipts:

Department of Transportation		
Title 75 Fines	\$	166,093
Commercial Driver Fines		731
Child Restraint Fines		1,660
Department of Revenue Court Costs		99,852
Crime Victims' Compensation Bureau Costs		10,598
Crime Commission Costs/Victim Witness Services Costs		9,763
Domestic Violence Costs		3,053
Department of Agriculture Fines		10,633
Emergency Medical Service Fines		69,905
CAT/MCARE Fund Surcharges		147,499
Judicial Computer System Fees		48,492
Access to Justice Fees		27,450
Criminal Justice Enhancement Account Fees		4,098
Judicial Computer Project Surcharges		76,448
Constable Service Surcharges		7,657
Miscellaneous State Fines and Costs		<u>87,393</u>
 Total receipts		 771,325
 Disbursements to Commonwealth		 <u>(771,325)</u>
 Balance due Commonwealth (District Court) per Department of Revenue Data		 -
 Proposed audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (District Court) for the period January 1, 2020 to December 31, 2023	 \$	 <u><u>-</u></u>

DISTRICT COURT 13-3-03
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Finding No. 1 - Bank Deposit Slips Were Not Validated

Our audit of the district court's accounting records disclosed that the office copy of the bank deposit slip was not validated by the bank in 20 of the 60 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. If the bank cannot validate the deposit slip, the district court should obtain a deposit ticket from the bank that validates total cash and the total deposit. After the district court receives the validation from the bank, it should be reconciled to the receipts by someone other than the person preparing or making the deposit.

District court staff stated that the bank stopped validating duplicate deposit slips and only supplied a receipt with the total deposit. Court staff also stated that they contacted the bank and were told that due to the new electronic system it was not possible to electronically verify the deposit slips.

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

Recommendations

We recommend that the district court secure bank validation on the court's copy of the deposit slip. We further recommend that the validation is reconciled to receipts by someone other than the person preparing or making the deposit.

DISTRICT COURT 13-3-03
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Finding No. 1 - Bank Deposit Slips Were Not Validated (Continued)

Management's Response

The Magisterial District Judge responded as follows:¹

In 29 years of audits, there has never been any discrepancy in the amounts that were due to the Commonwealth, the County, or any other agency that money has been remitted to from this court. After contacting other local banks, [the other banks indicated they] are using the same software that is currently being used by the [district court's] bank. The [district court's] bank stated that "to change the software and revert to old school banking, will require tens of thousands of dollars, possibly more by the time every branch office is included". This district court will gladly do whatever is necessary to correct this issue.

It would be the suggestion of this District Judge that you [Pennsylvania Department of the Auditor General] please contact the district court's bank with ways to resolve this issue. The bank could then provide the information to all the district courts for future audits and perhaps keep District Judges from "write ups" over banking policies that we don't control. Also, please keep in mind, a lot of the district courts are in rural areas and have limited access to multiple banks.

Auditors Conclusion

We understand the challenges presented by the revised bank procedures. The court may consider making separate deposits of cash and checks to maintain the deposit slips and bank receipts with the reconciliation documentation. During our next audit, we will determine if the district court complied with our recommendations.

¹ Text in brackets was added by the Department of the Auditor General for clarity and to replace business names.

DISTRICT COURT 13-3-03
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

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

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.

We tested 27 instances in which a warrant was required to be issued based on the regulations noted below. Our testing disclosed that one was not issued.

In addition, of 37 warrants required to be returned or recalled, ten were not returned or recalled and five were not returned timely. The time of issuance to the time of return ranged from 287 days to 1,146 days.

Furthermore, we tested seven instances in which a DL-38 was required to be issued. Our testing disclosed that three were not issued.

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

Warrant Issuance Procedures: 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 13-3-03
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

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

According to Pa.R.Crim.P. 430(A) and (B), a warrant for a defendant SHALL be issued (without a Notice of Impending Warrant) in a summary case for any of the following reasons:

- 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 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.

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.

District court staff stated that they issued warrants to constables who would not return them in a timely fashion. Court staff further stated that the county only utilized two constables, and from 2021 to 2022, the county only utilized one constable.

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.

DISTRICT COURT 13-3-03
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

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

Recommendations

We 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 120 days for summary traffic and non-traffic cases as recommended by the Manual.

Management's Response

The Magisterial District Judge responded as follows:

Warrants during COVID were difficult with having one constable, then two, then back to one. District Court 13-3-03 will gladly attempt to make procedures appropriate.

Auditors Conclusion

We appreciate the district court's effort to correct these issues. Please note that we did not include any exceptions in the finding which occurred during the pandemic. During our next audit, we will determine if the district court complied with our recommendations.

DISTRICT COURT 13-3-03
GREENE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

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 Leroy W. Watson
Magisterial District Judge

The Honorable Jared Edgreen
Chairman of the Board of Commissioners

The Honorable Ami Cree
Controller

Ms. Sheila S. Rode
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.