



**CLERK OF THE COURT OF COMMON PLEAS
AND PROBATION AND PAROLE DEPARTMENT**

PERRY COUNTY

EXAMINATION REPORT

FOR THE PERIOD

APRIL 1, 2005 TO DECEMBER 31, 2012

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Clerk of the Court of Common Pleas, Perry County, Pennsylvania (County Officer), for the period April 1, 2005 to December 31, 2012, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). This Statement is the responsibility of the county office's management. 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. An examination includes examining, on a test basis, evidence supporting the Statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Section 401(b) of *The Fiscal Code* to audit the accounts of each county officer 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(b) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above presents, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Commonwealth for the period April 1, 2005 to December 31, 2012, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statement and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. 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 the internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County Officer's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the County Officer's Statement that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiencies described in the findings below to be significant deficiencies in internal control over the reporting on the Statement:

- Inadequate Accountability Over Undisbursed Funds (Clerk Of Courts) - Recurring.
- Inadequate Internal Controls Over Manual Receipts (Probation And Parole Department).

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statement would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider all the significant deficiencies described above to be material weaknesses.

Independent Auditor's Report (Continued)

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we did note other matters that, while not required to be included in this report by *Government Auditing Standards*, has/have been included in the findings below:

- Inadequate Assessment Of Fines, Costs, Fees, And Surcharges (Clerk Of Courts).
- Inadequate Assessment Of Probation Supervision Fees (Probation And Parole Department).

We are concerned in light of the office's failure to correct a previously reported finding regarding the inadequate accountability over undisbursed funds in the Clerk of Courts office. During our current examination the office failed to have an adequate accountability over undisbursed funds in the Clerk of Courts office, had inadequate assessment of fines, costs, fees and surcharges in the Clerk of Courts office and Probation and Parole department, and had inadequate internal controls over manual receipts in the Probation and Parole department. The office should strive to implement the recommendations and corrective actions noted in this report.

This report is intended solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the County Officer and is not intended to be and should not be used by anyone other than these specified parties.



EUGENE A. DEPASQUALE
Auditor General

June 16, 2013

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CLERK OF THE COURT OF COMMON PLEAS AND
PROBATION AND PAROLE DEPARTMENT
PERRY COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
APRIL 1, 2005 TO DECEMBER 31, 2012

Receipts:

Department of Transportation		
Title 75 Fines	\$258,525	
Department of Revenue Court Costs	57,032	
Crime Victims' Compensation Costs	129,220	
Crime Commission Costs/Victim Witness Service Costs	87,224	
Department of Public Welfare		
Domestic Violence Costs	19,578	
Emergency Medical Services Fines	17,021	
DUI - ARD/EMS Fees	12,726	
CAT/MCARE Fund Surcharges	96,564	
Judicial Computer System	38,757	
Access to Justice Fees	4,480	
Offender Supervision Fees	603,111	
Constable Service Surcharges	3	
Criminal Laboratory Users' Fees	147,551	
Probation and Parole Officers' Firearm Education Costs	13,645	
Substance Abuse Education Costs	103,072	
Office of Victims' Services Costs	36,956	
Miscellaneous State Fines and Costs	<u>307,917</u>	
 Total receipts (Note 2)		 \$ 1,933,382
 Disbursements to Commonwealth (Note 3)		 <u>(1,935,035)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 (1,653)
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period April 1, 2005 TO December 31, 2012		 <u><u>\$ (1,653)</u></u>

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

CLERK OF THE COURT OF COMMON PLEAS AND
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NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
APRIL 1, 2005 TO DECEMBER 31, 2012

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 summary and criminal cases filed with the Clerk of the Court of Common Pleas' Office.

3. Disbursements

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 1,935,035
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4. Balance Due Commonwealth (County) For The Period April 1, 2005 To December 31, 2012

This balance reflects a 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.

5. County Officers Serving During Examination Period

Brenda J. Albright served as the Clerk of the Court of Common Pleas for the period April 1, 2005 to December 31, 2012.

Thomas Radel served as Chief Probation Officer of the Probation and Parole Department for the period April 1, 2005 to December 31, 2012.

CLERK OF THE COURT OF COMMON PLEAS AND
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FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
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Finding No. 1 - Inadequate Accountability Over Undisbursed Funds (Clerk Of Courts) -
Recurring

We cited the office for inadequate accountability over undisbursed funds in the two prior examinations, with the most recent for the period ending March 31, 2005. However, our current examination found that the office did not correct this issue. Once again, our examination disclosed that there was no accountability over undisbursed funds. Undisbursed receipts were not reconciled properly with the ending cash balance on a monthly basis. At December 31, 2012, funds on hand exceeded recorded obligations by \$20,643.60.

This condition existed because the office ignored our prior to examination recommendations and failed to establish and implement an adequate system of internal controls over undisbursed funds.

Good internal accounting control procedures ensure that the ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the office bank account is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available funds on hand should equal unpaid obligations.

Without a good system of internal controls over undisbursed funds, the possibility of funds being lost or misappropriated increases significantly.

Recommendation

Once again, we strongly recommend that the office attempt to identify all existing liabilities associated with the office bank account and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office ensure that reconciled cash equals unpaid obligations monthly.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the office comply with our recommendation. During our next examination we will determine if the office complied with our recommendation.

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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts (Probation and Parole Department)

Manual receipts are available to be issued in the event of a temporary power loss to the office's computer system. When the computer system is operating again, the manual receipt is replaced by an official computer-generated receipt and included in the daily receipts.

Our examination disclosed the following deficiencies in the internal controls over manual receipts. Of 25 receipts tested, we noted the following:

- There were six years of manual receipts which could not be located and were not available for examination.
- The date issued, source, method of payment, docket number, and/or remitter's name was/were not recorded on 15 manual receipts.
- There were 25 instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.
- A manual receipt log was not maintained.

Good internal accounting controls ensure that:

- Manual receipts are accounted for and maintained.
- All required information is recorded on the manual receipt, including date issued, date filed, signature of the person receiving the payment, remitter name, docket number, payment source, and payment method.
- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.
- A manual receipt log should be maintained to document information that is recorded on the manual receipt, including date issued, date filed, case number, signature of the person receiving the payment, remitter name, payment source, and payment method. This will provide an audit trail on the issuance of the manual receipt.

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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts (Probation and Parole Department) (Continued)

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

Adherence to good internal accounting controls would have ensured adequate internal controls over receipts.

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts.

Recommendation

We recommend that the office establish and implement an adequate system of internal controls over manual receipts as noted above.

Management's Response

The Chief Probation Officer responded as follows:

Manual receipts will be fully filled out and numbers are being entered into the CPCMS system.

Auditor's Conclusion

During our next examination we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS AND
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Finding No. 3 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges (Clerk Of Courts)

Our examination disclosed that the office did not assess certain fines, costs, fees, and surcharges as mandated by law. Of 109 cases tested, we noted the following discrepancies:

- There were two cases in which Department of Revenue Court Costs were not assessed. In addition, there were 8 cases in which the Department of Court Costs were assessed in error.
- There were 46 cases in which the Judicial Computer System/Access To Justice (JCS/ATJ) Fees were not assessed properly.
- There were five cases in which Crime Victims Compensation Costs, Domestic Violence Costs, and/or Victim Witness Services Costs were not assessed.
- There were three cases in which the Substance Abuse Education Cost was not assessed.
- There were two cases in which the Emergency Medical Services (EMS) Fine and/or the Catastrophic Fund Surcharge (CAT) were assessed in error.
- There were 12 cases in which the County Probation and Parole Officers' Firearm Education and Training Cost was not assessed.
- There were 14 cases in which the DNA Cost was not assessed.
- There was one case in which the Criminal Justice Enhancement Fee (CJEA) was not assessed.
- There were two cases in which Amber Alert costs were not assessed.

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Finding No. 3 - Inadequate Assessment of Fines, Costs, Fees, And Surcharges (Clerk Of Courts)
(Continued)

The following state statutes address the assessment of fines, costs, fees, and surcharges that were not properly assessed:

- Title 42 Pa. C.S.A. § 1725.1 provides for the collection of Department of Revenue Court Costs in varying amounts depending on whether the violation is a summary, misdemeanor, or felony.
- Title 18 P.S. § 11.1101 provides for the collection of a \$60 fee for Crime Victims' Compensation Costs and Victim Witnesses Services Costs. A \$35 fee is paid into the Crime Victim's Compensation Fund for use by the Crime Victim's Compensation Board for payment to victims and technical assistance. The remaining \$25 of these costs is paid into a fund for use by the Commission on Crime and Delinquency for victim witness service grants and technical assistance in non-victim compensation related areas.
- Title 71 P.S. § 611.13 (b) authorizes a \$10 Domestic Violence Cost to be assessed against any person who pleads guilty or nolo contendere or who is convicted of a crime as defined in 71 P.S. § 611.13 (e). It should be noted that these fees should not be assessed on Accelerated Rehabilitative Disposition (ARD) cases.
- Substance Abuse Education Costs amended Title 18 by adding Section 7508. This section imposed a \$100 cost on driving under the influence (DUI) offenses and on all drug related offenses covered in the Controlled Substance, Drug, Device and Cosmetic Act. Also, effective February 1, 2004, DUI offenses in which the offender's blood alcohol level is greater than .16% require an additional \$200 cost. The cost is distributed 50/50 between the County and Commonwealth.
- Title 35 P.S. § 6934 authorizes the collection for the Emergency Medical Services Fine.
- Effective January 31, 2005, Title 44 P.S. § 2322, specifies that all felonies, regardless of offense, and misdemeanors for § 2910 (relating to luring a child into a motor vehicle) and § 3126 (relating to indecent assault), authorizes the automatic assessment of a \$250 DNA cost when a DNA sample is taken.

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Finding No. 3 - Inadequate Assessment of Fines, Costs, Fees, And Surcharges (Clerk Of Courts)
(Continued)

- Title 61 Pa.C.S.A. § 332.8 provides for the collection of the County Probation and Parole Officers' Firearm Education and Training Cost. A \$5 cost is assessed against any defendant who accepts Accelerated Rehabilitative Disposition or pleads guilty or nolo contendere or is convicted of a felony or misdemeanor.
- Effective November 10, 2007, Title 42 Pa.C.S. § 3575 (b) provides for the collection of a \$50 Criminal Justice Enhancement Account (CJEA) Fee if a defendant accepts Accelerated Rehabilitative Disposition, is convicted of or enters a plea of guilt or nolo contendere for a felony, misdemeanor of the first degree or misdemeanor of the second degree as set forth in Title 18 PA.C.S. (relating to crimes and offenses), or is convicted of or enters a plea of guilt or nolo contendere for a violation of Title 35, Section 780-113(a)(16), known as The Controlled Substance, Drug, Device and Cosmetic Act.
- Title 35 P.S. § 7025.4 provides for the collection of the Amber Alert System Cost. Unless the court finds that undue hardship would result, in addition to any other cost imposed by law, a cost of \$25 shall automatically be assessed on each person convicted, adjudicated delinquent or granted accelerated rehabilitative disposition (ARD) of the offenses in 18 Pa.C.S. § 2901 -2910.

The improper assessing of these costs and fees resulted in the defendant not being assessed the proper amount of costs and fees associated with the violation; and/or a loss of revenue to the Commonwealth and County.

These incorrect assessments occurred because the office was not aware or up-to-date on laws and regulations regarding the proper assessment of Commonwealth fines, costs, fees, and surcharges.

Recommendation

We recommend that the office review the laws noted above to ensure that fines, costs, fees, and surcharges are assessed as mandated by law.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

During our next examination we will determine if the office complied with our recommendation.

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Finding No. 4 - Inadequate Assessment Of Probation Supervision Fee (Probation And Parole Department)

Our examination disclosed that the office did not properly assess certain fines, costs, fees, and surcharges as mandated by law. Of 109 cases tested, we noted that there were 35 cases in which the Offender Supervision Fee was assessed in error.

The following state statute addresses the assessment of fines, costs, fees, and surcharges that were assessed in error:

- Title 18 P.S. § 11.1102 provides for the collection of the Probation Supervision Fee.

The improper assessing of these costs and fees resulted in the defendant not being assessed the proper amount of costs and fees associated with the violation.

These incorrect assessments occurred because the office was not aware or up-to-date on laws and regulations regarding the proper assessment of Commonwealth fines, costs, fees, and surcharges.

Recommendation

We recommend that the office review the laws noted above to ensure that fines, costs, fees, and surcharges are assessed as mandated by law.

Management's Response

The Chief Probation Officer responded as follows:

Supervision fees will be addressed either with a blanket order or individual orders waiving additional fees.

Auditor's Conclusion

During our next examination we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS AND
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PERRY COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
APRIL 1, 2005 TO DECEMBER 31, 2012

This report was initially distributed to:

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

Mr. Thomas J. Dougherty
Director
Division of Grants and Standards
Pennsylvania Board of Probation and Parole

The Honorable Brenda J. Albright	Clerk of the Court of Common Pleas
The Honorable Kathy Morrow	President Judge
The Honorable John J. Amsler	Chairperson of the Board of Commissioners

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